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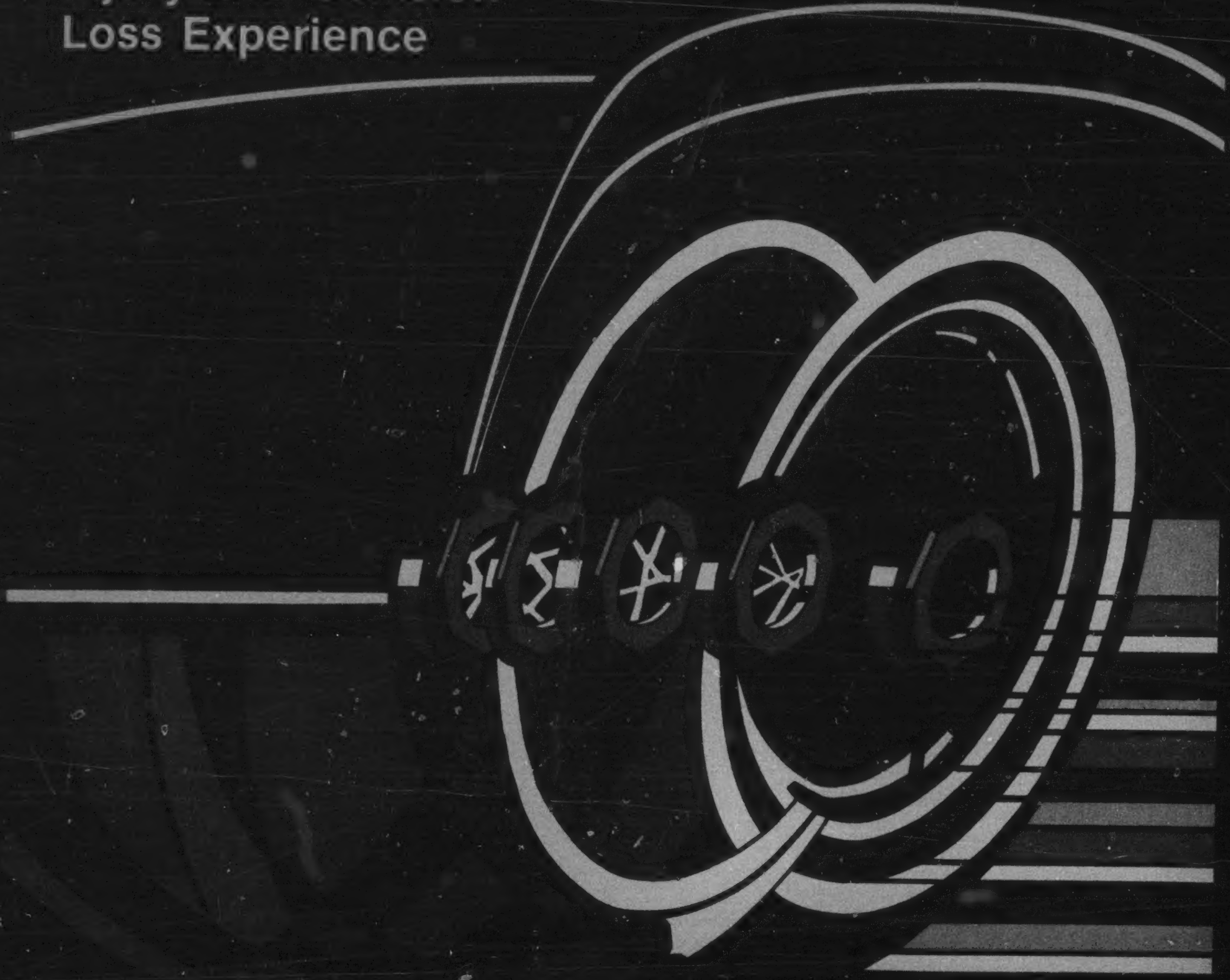
NAFA
Bulletin
The Magazine for Fleet Administrators
November 1982

# Injury and Collision Loss Experience



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# news highlights

## President Davis Appoints 3 Members To Serve on Awards Committee

At NAFA's Board of Governors meeting held in Cleveland, NAFA President Bob Davis appointed three members to serve on the Awards Committee. They are: Bob Whitfield, membership committee chairman, who will serve as chairman of the awards committee; Brandon Sohl, affiliate committee chairman, and Joyce Lyons, chairman of the Chicago Chapter.

Nominations will be submitted by the Awards Committee to the Association's Board of Trustees for their approval. The nominees selected for awards will be announced at NAFA's 26th Annual Conference in Detroit, Michigan, April 17-20, 1983.

### Guidelines

The award guidelines and the basis of selection for the Association's highest forms of recognition are:

**1. NAFA's Distinguished Service Award**

- A member's distinguished service to the Association.
- A member's distinguished service to the profession of fleet administration.
- A member's distinguished service to an outside organization in the field of education or government that benefited fleet management.
- As special recognition for a person outside NAFA's membership who has made a significant contribution to the profession of fleet management.

**2. Honorary Membership in NAFA**

- Any person may be eligible for honorary membership in recognition of his or her outstanding service to NAFA, to the field of fleet administration, to the automotive industry, or to a local community, state or nation.
- An honorary member shall enjoy all the privileges of a full member except that he or she shall not have a vote in any matter and shall be free from all membership dues and fees.

A Special Bulletin has been sent to all NAFA members and affiliates requesting your choice for nominees before January 3, 1983. All forms should be sent to: Robert A. Whitfield, corporate fleet administrator, Brown & Williamson Tobacco Corp., 1600 West Hill Street, Louisville, Kentucky 40232.

## *Committee Named To Prepare Slate For 1983 Election*

Five members have been appointed by NAFA President Bob Davis to serve on the Nominating Committee. They are: Floyd Wilson, trustee, who will serve as chairman of the committee; Nancy Norris, chairman of the Michigan Chapter; Bill Gravesmill, chairman of the Pacific Southwest Chapter; Ian Brown, chairman of the Ontario

*(Continued on page 4)*

*Cover: Illustrated by Cindi Samol*

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**Bulletin**
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# 1983 EPA Estimated Gas Mileage Figures For Trucks, Vans and Special Purpose Vehicles

***The following mileage ratings, provided by the Environmental Protection Agency, include all vehicles sold in the United States except California. The ratings for trucks, vans and special purpose vehicles represent city driving figures. The ratings for passenger cars were published in the October NAFA Bulletin.***

### Small Pick-Up Trucks (2-Wheel Drive)

| | | | | |
|---|---|---|---|---|
| 27 | Chevy S10 | M4 | 119 | 4 |
| 29 | Chevy S10 | M5 | 119 | 4 |
| 25 | Chevy S10 | M4 | 121 | 4 |
| 24 | Chevy S10 | M5 | 121 | 4 |
| 22 | Chevy S10 | A4 | 121 | 4 |
| 23 | Chevy S10 | M4 | 173 | 6 |
| 22 | Chevy S10 | M5 | 173 | 6 |
| 22 | Chevy S10 | A4 | 173 | 6 |
| 27 | Colt | M4 | 122 | 4 |
| 25 | Colt | M4 | 122 | 4 |
| 28 | Colt | M5 | 122 | 4 |
| 26 | Colt | A3 | 122 | 4 |
| 25 | Colt | A3 | 122 | 4 |
| 34 | Colt | D-M5 | 143 | 4 |
| 23 | Colt | M5 | 156 | 4 |
| 23 | Colt | A3 | 156 | 4 |
| 22 | Colt | A3 | 156 | 4 |
| 33 | Datsun | D-M5 | 132 | 4 |
| 25 | Datsun | M4 | 133 | 4 |
| 26 | Datsun | M5 | 133 | 4 |
| 23 | Datsun | A3 | 133 | 4 |
| 28 | Dodge Rampage | M4 | 135 | 4 |
| 28 | Dodge Rampage | M5 | 135 | 4 |
| 25 | Dodge Rampage | A3 | 135 | 4 |
| 27 | Dodge Ram50 | M4 | 122 | 4 |
| 25 | Dodge Ram50 | M4 | 122 | 4 |
| 28 | Dodge Ram50 | M5 | 122 | 4 |
| 26 | Dodge Ram50 | A3 | 122 | 4 |
| 25 | Dodge Ram50 | A3 | 122 | 4 |
| 34 | Dodge Ram50 | D-M5 | 143 | 4 |
| 23 | Dodge Ram50 | M5 | 156 | 4 |
| 23 | Dodge Ram50 | A3 | 156 | 4 |
| 22 | Dodge Ram50 | A3 | 156 | 4 |
| 27 | Ford Courier | M4 | 120 | 4 |
| 27 | Ford Courier | M5 | 120 | 4 |
| 32 | Ford Courier | D-M5 | 135 | 4 |
| 26 | Ford Ranger | M4 | 122 | 4 |
| 27 | Ford Ranger | M4 | 122 | 4 |
| 33 | Ford Ranger | D-M4 | 134 | 4 |
| 24 | Ford Ranger | M4 | 140 | 4 |
| 25 | Ford Ranger | M4 | 140 | 4 |
| 21 | Ford Ranger | A3 | 140 | 4 |
| 27 | GMC S15 | M5 | 119 | 4 |
| 29 | GMC S15 | M4 | 121 | 4 |
| 24 | GMC S15 | M5 | 121 | 4 |
| 22 | GMC S15 | A4 | 121 | 4 |
| 23 | GMC S15 | M4 | 173 | 6 |
| 22 | GMC S15 | M5 | 173 | 6 |
| 22 | GMC S15 | A4 | 173 | 6 |
| 28 | Isuzu P'up | M4 | 119 | 4 |
| 24 | Isuzu P'up | A3 | 119 | 4 |
| 24 | Isuzu P'up | A3 | 119 | 4 |
| 38 | Isuzu P'up | D-M4 | 137 | 4 |
| 27 | Mitsubishi | M4 | 122 | 4 |
| 28 | Mitsubishi | M5 | 122 | 4 |
| 26 | Mitsubishi | A3 | 122 | 4 |
| 34 | Mitsubishi | D-M5 | 143 | 4 |
| 34 | Mitsubishi | D-M5 | 143 | 4 |
| 23 | Mitsubishi | M5 | 156 | 4 |
| 23 | Mitsubishi | A3 | 156 | 4 |
| 27 | Mazda B2000-2200 | M4 | 120 | 4 |
| 27 | Mazda B2000-2200 | M5 | 120 | 4 |
| 32 | Mazda B2000-2200 | D-M5 | 135 | 4 |
| 28 | Plymouth Scamp | M4 | 135 | 4 |
| 28 | Plymouth Scamp | M5 | 135 | 4 |
| 25 | Plymouth Scamp | A3 | 135 | 4 |
| 33 | Toyota Truck | D-M5 | 134 | 4 |
| 24 | Toyota Truck | M5 | 144 | 4 |
| 40 | Volkswagen Pickup | D-M5 | 97 | 4 |
| 27 | Volkswagen Pickup | M4 | 105 | 4 |
| 25 | Volkswagen Pickup | M5 | 105 | 4 |

### Small Pick-Up Trucks (4-Wheel Drive)

| | | | | |
|---|---|---|---|---|
| 24 | Colt | M4 | 122 | 4 |
| 30 | Colt | D-M5 | 143 | 4 |
| 21 | Colt | M5 | 156 | 4 |
| 20 | Colt | A3 | 156 | 4 |
| 21 | Datsun | M4 | 133 | 4 |
| 22 | Datsun | M5 | 133 | 4 |
| 24 | Dodge Power Ram 50 | M4 | 122 | 4 |
| 21 | Dodge Power Ram 50 | M5 | 156 | 4 |
| 20 | Dodge Power Ram 50 | A3 | 156 | 4 |
| 24 | Isuzu Pickup | M4 | 119 | 4 |
| 32 | Isuzu Pickup | D-M4 | 137 | 4 |
| 22 | Jeep Scrambler Pckup | M4 | 151 | 4 |
| 23 | Jeep Scrambler Pckup | M5 | 151 | 4 |
| 18 | Jeep Scrambler Pckup | M4 | 258 | 6 |
| 18 | Jeep Scrambler Pckup | M5 | 258 | 6 |
| 24 | Mitsubishi | M4 | 122 | 4 |
| 30 | Mitsubishi | D-M5 | 143 | 4 |
| 21 | Mitsubishi | M5 | 156 | 4 |
| 20 | Mitsubishi | A3 | 156 | 4 |
| 23 | Suzuki SJ410K | M4 | 59 | 4 |

| | | | | |
|---|---|---|---|---|
| 12 | Plymouth Fargo W250 | M4 | 318 | 8 |
| 14 | Plymouth Fargo W250 | A3 | 318 | 8 |
| 21 | Toyota Truck | M5 | 144 | 4 |

### Cargo Vans

| | | | | |
|---|---|---|---|---|
| 19 | Chevy G10-G20 | M3 | 250 | 6 |
| 18 | Chevy G10-G20 | M4 | 250 | 6 |
| 18 | Chevy G10-G20 | A4 | 250 | 6 |
| 17 | Chevy G10-G20 | M3 | 305 | 8 |
| 18 | Chevy G10-G20 | M4 | 305 | 8 |
| 17 | Chevy G10-G20 | A4 | 305 | 8 |
| 23 | Chevy G10-G20 | D-M4 | 379 | 8 |
| 21 | Chevy G10-G20 | D-A4 | 379 | 8 |
| 17 | Chevy G30 | M3 | 250 | 6 |
| 17 | Chevy G30 | A4 | 250 | 6 |
| 19 | Dodge B150-250 | M4 | 225 | 6 |
| 18 | Dodge B150-250 | A3 | 225 | 6 |
| 16 | Dodge B150-250 | M4 | 318 | 8 |
| 15 | Dodge B150-250 | A3 | 318 | 8 |
| 14 | Dodge B150-250 | A3 | 318 | 8 |
| 15 | Dodge B350 | A3 | 318 | 8 |
| 13 | Dodge B350 | A3 | 318 | 8 |
| 18 | Ford E100-150 Enconol | M3 | 300 | 6 |
| 20 | Ford E100-150 Enconol | M4 | 300 | 6 |
| 16 | Ford E100-150 Enconol | M4 | 300 | 6 |
| 16 | Ford E100-150 Enconol | A4 | 300 | 6 |
| 14 | Ford E100-150 Enconol | M4 | 302 | 8 |
| 15 | Ford E100-150 Enconol | A4 | 302 | 8 |
| 13 | Ford E100-150 Enconol | A3 | 351 | 8 |
| 16 | Ford E250 Enconoline | M3 | 300 | 6 |
| 16 | Ford E250 Enconoline | A4 | 300 | 6 |
| 14 | Ford E250 Enconoline | A4 | 302 | 8 |
| 12 | Ford E250 Enconoline | A3 | 351 | 8 |
| 19 | GMC G15-25 | M3 | 250 | 6 |
| 18 | GMC G15-25 | M4 | 250 | 6 |
| 18 | GMC G15-25 | A4 | 250 | 6 |
| 17 | GMC G15-25 | M3 | 305 | 8 |
| 18 | GMC G15-25 | M4 | 305 | 8 |
| 17 | GMC G15-25 | A4 | 305 | 8 |
| 23 | GMC G15-25 | D-M4 | 379 | 8 |
| 21 | GMC G15-25 | D-A4 | 379 | 8 |
| 17 | GMC G35 | M3 | 250 | 6 |
| 17 | GMC G35 | A4 | 250 | 6 |
| 19 | Plymouth B150-250 | M4 | 225 | 6 |
| 18 | Plymouth B150-250 | A3 | 225 | 6 |
| 16 | Plymouth B150-250 | M4 | 318 | 8 |
| 15 | Plymouth B150-250 | A3 | 318 | 8 |
| 14 | Plymouth B150-250 | A3 | 318 | 8 |
| 15 | Plymouth B350 | A3 | 318 | 8 |
| 13 | Plymouth B350 | A3 | 318 | 8 |

### Passenger Vans

| | | | | |
|---|---|---|---|---|
| 17 | Chevy G10-G20 Sprtvn | M3 | 250 | 6 |
| 17 | Chevy G10-G20 Sprtvn | A4 | 250 | 6 |
| 15 | Chevy G10-G20 Sprtvn | A4 | 305 | 8 |
| 14 | Chevy G10-G20 Sprtvn | A4 | 350 | 8 |
| 20 | Chevy G10-G20 Sprtvn | D-A4 | 379 | 8 |
| 12 | Chevy G30 Sprtvn | A4 | 350 | 8 |
| 19 | Dodge B150-B250 Wgn | M4 | 225 | 6 |
| 18 | Dodge B150-B250 Wgn | A3 | 225 | 6 |
| 16 | Dodge B150-B250 Wgn | M4 | 318 | 8 |
| 15 | Dodge B150-B250 Wgn | A3 | 318 | 8 |
| 14 | Dodge B150-B250 Wgn | A3 | 318 | 8 |
| 15 | Dodge B150-B250 Wgn | A3 | 318 | 8 |
| 13 | Dodge B150-B250 Wgn | A3 | 318 | 8 |
| 16 | Ford E150 Club Wag | M4 | 300 | 6 |
| 15 | Ford E150 Club Wag | A3 | 300 | 6 |
| 15 | Ford E150 Club Wag | A4 | 300 | 6 |
| 14 | Ford E150 Club Wag | M4 | 302 | 8 |
| 14 | Ford E150 Club Wag | A4 | 302 | 8 |
| 13 | Ford E150 Club Wag | A3 | 351 | 8 |
| 17 | GMC G15-G25 Rally | M3 | 250 | 6 |
| 17 | GMC G15-G25 Rally | A4 | 250 | 6 |
| 15 | GMC G15-G25 Rally | A4 | 305 | 8 |
| 14 | GMC G15-G25 Rally | A4 | 350 | 8 |
| 20 | GMC G15-G25 Rally | D-A4 | 379 | 8 |
| 12 | GMC G15-G25 Rally | A4 | 305 | 8 |
| 19 | Plym PB150-PB250 Voy | M4 | 225 | 6 |
| 18 | Plym PB150-PB250 Voy | A3 | 225 | 6 |
| 15 | Plym PB150-PB250 Voy | M4 | 318 | 8 |
| 14 | Plym PB150-PB250 Voy | A3 | 318 | 6 |
| 12 | Plym PB150-PB250 Voy | A3 | 318 | 8 |
| 15 | Plym PB350 Voyager | A3 | 318 | 8 |
| 12 | Plym PB350 Voyager | A3 | 318 | 8 |
| 30 | Volkswagen Vanagon | D-M5 | 97 | 4 |
| 16 | Volkswagen Vanagon | M4 | 120 | 4 |
| 16 | Volkswagen Vanagon | A3 | 120 | 4 |

### Special Purpose Vehicles
### (4-Wheel Drive)

| | | | | |
|---|---|---|---|---|
| 23 | AMC Eagle SX-4 | M4 | 151 | 4 |
| 23 | AMC Eagle SX-4 | M5 | 151 | 4 |
| 20 | AMC Eagle SX-4 | A3 | 151 | 4 |
| 20 | AMC Eagle SX-4 | M4 | 258 | 6 |
| 20 | AMC Eagle SX-4 | M5 | 258 | 6 |
| 21 | AMC Eagle SX-4 | A3 | 258 | 6 |
| 23 | AMC Eagle | M4 | 151 | 4 |
| 23 | AMC Eagle | M5 | 151 | 4 |
| 20 | AMC Eagle | M4 | 258 | 6 |
| 20 | AMC Eagle | M5 | 258 | 6 |
| 20 | AMC Eagle | A3 | 258 | 6 |
| 15 | Chevy K10 Blazer | A4 | 305 | 8 |
| 19 | Chevy K10 Blazer | D-A4 | 379 | 8 |
| 13 | Chevy K10 Suburban | M4C | 350 | 8 |
| 13 | Chevy K10 Suburban | A4 | 350 | 8 |
| 18 | Chevy K10 Suburban | D-A4 | 379 | 8 |
| 21 | Chevy T10 Blazer | M4 | 121 | 4 |
| 22 | Chevy T10 Blazer | M5 | 121 | 4 |
| 21 | Chevy T10 Blazer | M4 | 173 | 6 |
| 20 | Chevy T10 Blazer | M5 | 173 | 6 |
| 19 | Chevy T10 Blazer | A4 | 173 | 6 |
| 12 | Dodge AW150 Ramchrg | M4C | 318 | 8 |
| 14 | Dodge AW150 Ramchrg | A3 | 318 | 8 |
| 13 | Dodge AW150 Ramchrg | A3 | 318 | 8 |
| 18 | Ford Bronco | M4 | 300 | 6 |
| 17 | Ford Bronco | M4C | 300 | 6 |
| 15 | Ford Bronco | A3 | 300 | 6 |
| 14 | Ford Bronco | M4C | 302 | 8 |
| 14 | Ford Bronco | M4 | 302 | 8 |
| 15 | Ford Bronco | A3 | 302 | 8 |
| 13 | Ford Bronco | M4 | 351 | 8 |
| 13 | Ford Bronco | M4C | 351 | 8 |
| 12 | Ford Bronco | A3 | 351 | 8 |
| 19 | GMC K15 Jimmy | D-A4 | 379 | 8 |
| 15 | GMC K15 Jimmy | A4 | 305 | 8 |
| 21 | GMC T15 Jimmy | M4 | 121 | 4 |
| 22 | GMC T15 Jimmy | M5 | 121 | 4 |
| 21 | GMC T15 Jimmy | M4 | 173 | 6 |
| 20 | GMC T15 Jimmy | M5 | 173 | 6 |
| 19 | GMC T15 Jimmy | A4 | 173 | 6 |
| 13 | GMC K15 Suburban | M4C | 350 | 8 |
| 13 | GMC K15 Suburban | A4 | 350 | 8 |
| 18 | GMC K15 Suburban | D-A4 | 379 | 8 |
| 18 | Jeep Cherokee Wagnr | M4 | 258 | 6 |
| 18 | Jeep Cherokee Wagnr | M5 | 258 | 6 |
| 18 | Jeep Cherokee Wagnr | A3 | 258 | 6 |
| 14 | Jeep Cherokee Wagnr | M4 | 360 | 8 |
| 13 | Jeep Cherokee Wagnr | A3 | 360 | 8 |
| 22 | Jeep Cherokee CJ5-CJ7 | M4 | 151 | 4 |
| 22 | Jeep Cherokee CJ5-CJ7 | M5 | 151 | 4 |
| 18 | Jeep Cherokee CJ5-CJ7 | M4 | 258 | 6 |
| 18 | Jeep Cherokee CJ5-CJ7 | M5 | 258 | 6 |
| 19 | Jeep Cherokee CJ5-CJ7 | A3 | 258 | 6 |
| 27 | Subaru Brat | M4 | 109 | 4 |
| 24 | Subaru Brat | A3 | 109 | 4 |
| 26 | Subaru Wagon | M4 | 109 | 4 |
| 24 | Subaru Brat | A3 | 109 | 4 |
| 27 | Subaru | M4 | 109 | 4 |
| 24 | Suzuki SJ410 | M4 | 59 | 4 |
| 23 | Suzuki SJ410V | M4 | 59 | 4 |
| 12 | Toyota Land Cruiser | M4 | 258 | 6 |
| 13 | Toyota Land Cruiser | M4 | 258 | 6 |

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February 1983

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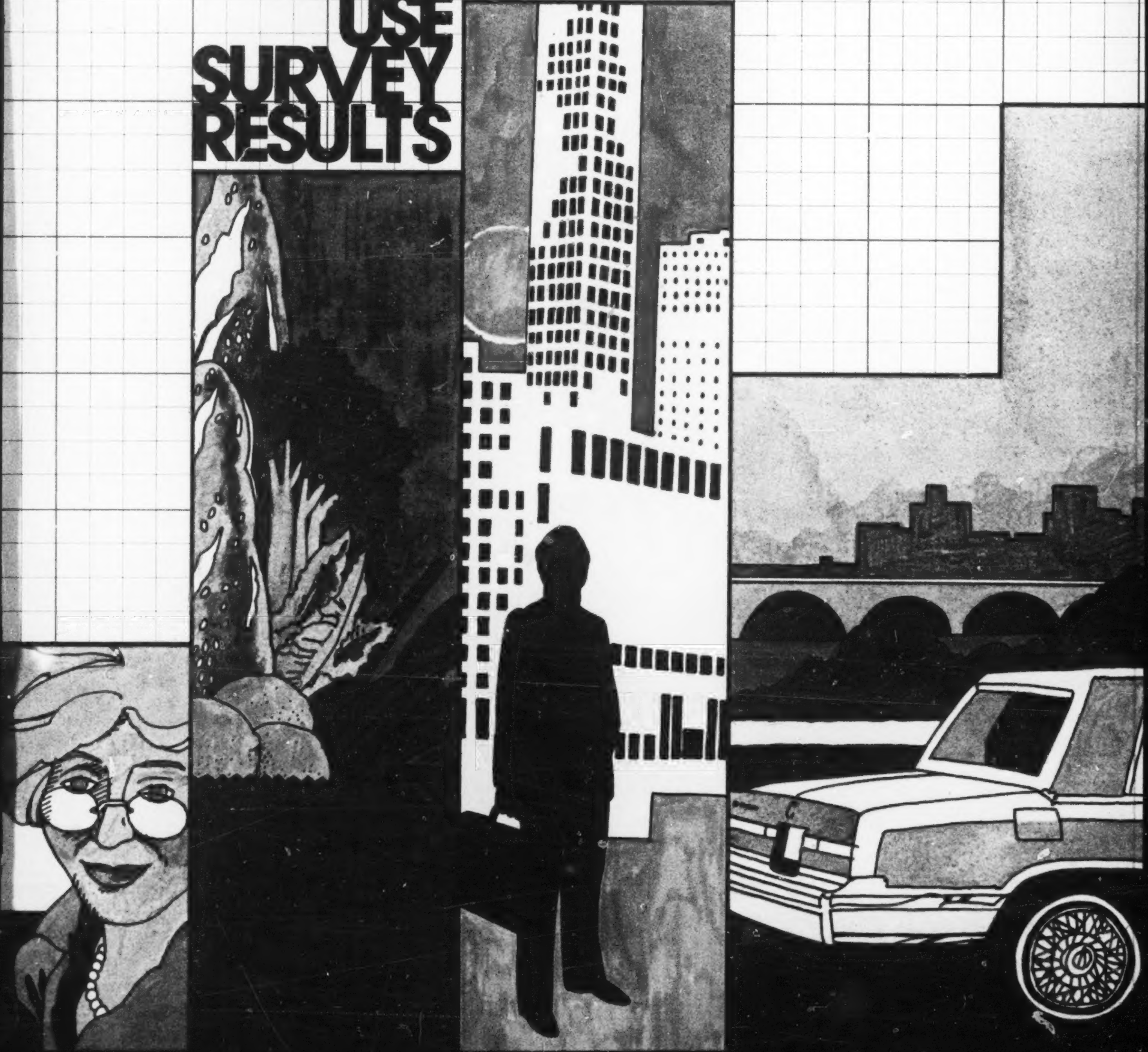
# PERSONAL USE SURVEY RESULTS



# news highlights

## Sohl Announces "Grand Prix Motif" as Theme For NAFA Affiliates' Night Party in Detroit

A Grand Prix motif, complete with continuous cabaret entertainment, a video and pinball arcade and a well-stocked cafe serving food and drink throughout the evening's proceedings, is the theme for the Affiliates' Night Party at NAFA's 26th Annual Conference in Detroit.

This year's Affiliates' celebration, scheduled to begin Sunday, April 17th at 7 p.m. in the Westin Hotel's Grand Ballroom, will aptly launch NAFA's 1983 Conference in Detroit SuperCity U.S.A. Just as NAFA's conference will further the idea of creating new traditions, so will the Affiliate Party. According to Affiliate Committee Chairman Brandon Sohl, "The well-chosen grand prix theme of this year's party will emphasize Detroit's time-honored automotive traditions and celebrate a new one — Detroit's recent hosting of the 1982 International Grand Prix. Now only three cities can boast of a grand prix track in their downtown area — Monte Carlo, Montreal and Detroit."

The party's proceedings will be capped off by two headlining events. The first will be a raffle drawing in which the winner will receive a full-year's use of an AMC Renault Alliance, and the second will be a rousing Motown Revue, which will serve as a sensational finale to this gala event.

**D.E. "Don" Shepard from Idaho Power won the use of a 1983 Alliance in a drawing held during the 1982 NAFA Affiliates' Night party in Denver. Durran Howard, AMC Denver zone fleet and leasing manager, hands over the keys to prize winner Shepard.**

*Cover: Illustrated by Cindi Samol*

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The Affiliates' Night party will launch NAFA's 26th Annual Conference with a celebration highlighting Detroit SuperCity at its best.

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**NAFA's Personal Use Survey Results** .................. 6
This year's survey on personal use policies reveals the reimbursement and chargeback rates for business use of personally-owned cars.

**Bette Natoli on Fleet Management** 18
In this second interview in a new series focusing on the role of the professional fleet manager, Bette Natoli of Norwich Eaton Pharmaceuticals, Inc. discusses ways to achieve professional growth while making significant contributions to the company.

**Safety** ......................... 22
A new safe-driving promotion with a slightly different twist is underway in Albuquerque. Also, test your knowledge on the dangers of drinking and driving by taking a special quiz designed by HUF.

**The Oil Glut: How Much Longer Will It Last?** ............. 24
The turbulent energy situation of the 70's created a need to conserve energy and drive efficiently. However, now we are faced with an excess oil production capacity and a declining demand. While we are enjoying this oil "glut" the question we must ask is "How much longer will it last?"

**Hotline** ........................ 28
Joe Alacchi prescribes a special maintenance schedule appropriate to 4-cylinder cars.

**Wholesaler/Broker Directory** .... 30

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# NAFA's Personal

## Most Fleets Pay 20 cents

**NAFA Exclusive**

1982 was a "holding" year for personal use chargebacks and reimbursement rates for business use of personally-owned cars, according to NAFA's annual personal use survey.

Personal use chargebacks remained at essentially the same level as in 1981, as did reimbursement rates for driving personal cars on business.

The 1982 personal use survey contains responses from 197 fleets operating 141,513 passenger cars. Included in the survey are 33 Canadian fleets, nine public utility and seven government agency fleets.

Highlights of the survey are:

- Reimbursement rates for use of personal cars are set at 20 cents a mile by more than two-thirds of all U.S. fleets, while the Canadian fleets pay much more to their drivers.
- Chargebacks for personal use did not increase substantially, if at all in 1982, with slightly more than half of the fleets charging 10 cents a mile or more for personal use of the company-provided vehicle.
- There is a continuing increase in the number of fleets charging employees for at least some portion of the repair costs resulting from accidents that occur during personal use of the company car.

### Drug & Cosmetic Group

The Drug & Cosmetic Group consists of 18 fleets operating 13,096 passenger cars (12,145 leased, 726 company-owned, and 225 employee-owned). Every fleet in the group permits personal use of the company-provided vehicle and no fleet places any limitation on the car's use. The participating fleet managers reported that personal use amounted to a little more than 11 percent of total miles driven.

Every fleet in the group charges employees for personal use of the vehicle. Eight fleets use a straight mileage personal use charge. Two charge 12 cents a mile. Other fleets (one each) assess the driver 7, 8, 10, 13, and 20 cents a mile. One fleet's personal use charge is 11 cents a mile for the first 400 miles driven in a month, then 20 cents a mile for additional driving.

Four fleets have a flat monthly or weekly personal use charge. These chargebacks are (one fleet each) $7 a week, $15 a month, $25 a month, and $30 a month. Six fleets in the Drug & Cosmetic Group use a combination of mileage and salary deduction for personal use chargebacks. The rate for two fleets is $15 a month plus 7 cents a mile. One fleet each charges $6 a week and 6 cents a mile; $18 a month plus 6 cents a mile; $7 a week and 10 cents a mile, while one fleet charges $30 a month and 10 cents a mile for each mile over 300.

Twelve fleets in the group said they collected the personal use chargeback through an expense report deduction, while 6 said they collected it by means of a salary deduction.

> ***"Reimbursement rates for use of personal cars are set at 20¢ a mile by more than two-thirds of the U.S. fleets, while the Canadian fleets pay much more to their drivers."***

Every fleet in the Drug & Cosmetic Group permits the comany car to be driven by the employee's spouse; eleven permit its use by licensed children, and two fleets permit the car to be driven by "others," with the restriction that they be members of the employee's household.

Only four fleets in the group set an age limit (beyond holding a valid driver's license) for use of the company car. Seven fleets assess the employee a percentage of repair costs resulting from accidents during personal use. Five charge a dollar amount, most often $100, while one charges a fixed share of the repair cost and one charges the employee the insurance deductible.

In most Drug & Cosmetic Group fleets, job title or responsibility is the basis for assignment of a company car. However, six fleets set a minimum of miles driven in a year as one qualification for getting a company car. The mileage varies from a low of 10,000 miles to a high of 25,000 miles driven in one year.

# Use Survey Results

Every fleet in the group reimburses its employees for the use of a personally-owned car on business on a straight mileage basis. For employees who don't have a company car the payment ranges from a low of 12 cents a mile (one fleet) to a high of 20 cents a mile (7 fleets).

When a fleet car is not operable and the employee is forced to use a personally-owned car, once again all fleets reimburse on a straight mileage charge. In this case, 14 pay 20 cents a mile; one each pays 18¼, 18½, and 19 cents a mile.

### Food & Beverage Group

The Food & Beverage Group consists of 16 fleets operating 14,755 passenger cars (8,400 company-owned and 6,355 leased). Every fleet in the group permits personal use of the company-provided vehicle, with only one fleet placing any restrictions on such use — no more than 10,000 miles in a year. Personal use is estimated to be about 12 percent of total mileage.

Fifteen of the 16 fleets charge for personal use of the company car; one does not. Of the fleets that do charge for personal use, eight have a straight mileage reimbursement program. Three fleets each charge 9 and 10 cents a mile; one fleet charges 5 cents a mile, while another charges for the cost of "fuel only."

Three fleets in the Food & Beverage Group have a fixed reimbursement rate — $46 a month; $25 a month, and $6 a week. Three fleets use a combination of both mileage and a fixed or flat rate. They are $3 a week plus 10 cents a mile; 7 to 12 cents a mile and $6.75 to $11.50 a week (depending on type of car), and one fleet charges 10 cents a mile until the amount reaches $72 a month. In this fleet the rate then increases every 200 miles until it reaches $192 a month when the employee drives 1,400 miles. One fleet in the group adds the personal use charge to the employee's W-2 form at the end of every year.

Twelve fleets collect for personal use by means of an expense report deduction; two collect through a salary deduction.

Every fleet in the Food & Beverage Group permits the employee and spouse to use the company-provided vehicle. Six fleets extend the driving privilege to licensed children, and two permit "others" to drive the car.

**Personal Use Chargebacks**
**For Fleets Using A Straight Mileage Charge**
**U.S. Commercial Fleets Only**

| Amount | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|---|---|---|---|---|
| 7¢ or less | 47% | 16% | 14% | 2% | 3% |
| 8, 9 or 10¢ | 35% | 63% | 44% | 43% | 45% |
| More than 10¢ | 18% | 21% | 42% | 55% | 51% |

Six fleets in the group have set minimum age limits for use of the company car. In three fleets the minimum age is 25; in two it is 21, and in one fleet the age limit is set at 18.

Four fleets assess the employee for a portion of repair costs resulting from damages that occurred during personal use. Two fleets have a dollar amount — $50 and $100 — while the other two charge the employee the insurance deductible.

Nine fleets in the group have a minimum business mileage requirement before a company car is assigned to an employee. In four fleets it is 10,000 miles a year; two set it at 15,000 miles a year, while one each puts the minimum at 12,000, 18,000, and 20,000 miles per year.

An employee whose assigned fleet car is not in service and is required to drive a personal vehicle is reimbursed in all but one fleet on a straight mileage basis. In 10 fleets the rate is 20 cents a mile; in two it is 23 cents; in one each the rate is 21 and 25 cents a mile. One fleet pays the driver $7 a day for use of a personal car.

When an employee who doesn't have a fleet vehicle is required to use a personal car on business, all fleets in the group reimburse the driver on a mileage basis. Nine fleets pay 20 cents a mile; two pay 23 cents; one each pays 18½, 21, and 25 cents a mile. One fleet in the group uses a graduated scale of 20 cents a mile for the first 15,000 miles and 10 cents for additional miles driven.

*(Continued on page 8)*

# Personal Use Survey Results

*(Continued from page 7)*

**Reimbursement For Use Of Personal Car Mileage Only**

**(Assigned Fleet Car Not in Service)**

**U.S. Commercial Fleets Only**

| Amount | 1980 | 1981 | 1982 |
|---|---|---|---|
| 15¢ or less | 4% | 3% | 5% |
| 16, 17, 18, 19¢ | 41% | 15% | 13% |
| 20¢ | 43% | 66% | 68% |
| 21, 22, 23, 24¢ | 11%* | 17%* | 11% |
| 25¢ or more | * | * | 3% |

**Note: * Not broken out in surveys for those years, but included in "more than 20 cents a mile" number.**

### Chemical and Petroleum Group

The Chemical and Petroleum Group is represented by 14 fleets operating 10,292 passenger cars (8,451 leased; 1,809 company-owned, and 32 employee-owned).

Twelve fleets in the group permit personal use of the company car; two prohibit such use. Of the 12 fleets that do permit personal use, two do not authorize its use for vacation travel, and one places restrictions on the amount of personal use permitted. Reporting fleets estimated personal use to be about 9½ percent of total mileage.

Eleven of the 12 fleets charge for such driving, while one fleet makes no charge for personal use. Three fleets use a straight mileage charge — one each assessing drivers 16 cents a mile; 12 cents a mile, and 8 cents a mile. One fleet in the group charges 8 cents a mile but states there is a minimum charge of $25 a month.

Two fleets charge $50 a month; two others charge $30 a month for personal use of the company car, while one each assess a charge of $26 and $20 a month.

In collecting the personal use chargeback, four fleets in the Chemical & Petroleum Group depend on an expense report deduction; three make a salary deduction, while four fleets add the personal use charge to the employee's W-2 form as additional income.

Two of the twelve fleets permitting personal use limit such driving to the employee alone. Ten fleets permit the employee's spouse to use the company-provided car; five extend the driving privilege to licensed children, and only one permits "others" to use the car.

Only two fleets permitting personal use set age limits for driving the company car and two assess the employee for a portion of repair costs resulting from an accident that occurs during personal use. One fleet has a charge of $250, while the other asks the employee to pay the insurance deductible.

Although job title is the basic requirement for company car assignment, a number of fleets in the group have a minimum number of business miles that must be driven before a car is assigned to an employee. The most frequent is 12,000 miles a year (four fleets). Two fleets require 15,000 business miles a year, while one each have a minimum of 10,000, 20,000, and 25,000 business miles.

When an employee is required to use a personally-owned car because the assigned fleet car is not in service, all fleets in the group reimburse the employee on a straight mileage basis. Eleven fleets pay 20 cents a mile; one each pays 17, 19, and 21 cents a mile.

In those instances when an employee without an assigned fleet car is required to drive a personally-owned car on business, 11 fleets pay at the rate of 20 cents a mile; one each pays 19 and 21 cents a mile. One fleet pays a flat rate of $195 a month, while another uses a graduated scale of 20 cents a mile for the first 15,000 miles, and 11 cents per mile thereafter.

### Insurance Group

The Insurance Group consists of 33 fleets operating 42,314 passenger cars of which 22,315 are company-owned, 12,909 are leased, and 7,090 are employee-owned. According to the fleet managers responding to the survey personal use of company cars averages about 17 percent of total mileage driven.

Every fleet in the group permits personal use of the company-provided car after hours and on weekends and holidays. One fleet does not permit the vehicle to be used for vacation travel.

Five fleets have limits on personal use that include driving only within a 150-mile radius of home; staying within the state in which the employee lives; 10 percent of business mileage; 25 percent of total mileage, and 1,000 miles per month.

*(Continued on page 10)*

**Reimbursement For Use Of Personal Car Mileage Only**

**(No Assigned Fleet Car)**

**U.S. Commercial Fleets Only**

| Amount | 1980 | 1981 | 1982 |
|---|---|---|---|
| 15¢ or less | 3% | 1% | 2% |
| 16, 17, 18, 19¢ | 43% | 13% | 15% |
| 20¢ | 43% | 68% | 69% |
| 21, 22, 23, 24¢ | 11%* | 17%* | 10% |
| 25¢ or more | * | * | 4% |

**Note: * Not broken out in surveys for those years, but included in "more than 20 cents a mile" number.**

## Personal Use Survey Results

*(Continued from page 8)*

Within the Insurance Group there are two fleets that do not charge for personal use of the company-provided car; the other 31 fleets do have a chargeback system. In 14 fleets the chargeback is based on mileage; in 11 it is a fixed or flat weekly or monthly charge; and six fleets use a combination rate.

Among the mileage charges two fleets each set it at 10, 14, and 15 cents a mile. The other fleets each charge 9½, 12, 14, 15½, 16, 17½, and 20 cents a mile. One fleet's rate is set at 5 to 15 percent of the total fuel cost.

Three fleets charge $40 a month for personal use; two each charge $20, $30, and $50 a month. While one each charges $20 a week, $33 and $35 a month.

> ***"Chargebacks for personal use did not increase substantially... with slightly more than a half of the fleets charging 10¢ a mile or more for personal use of the company-provided vehicle."***

The fleets with a combination of personal use chargebacks employ these methods: $40 a month plus 20 cents a mile when 50 miles or more from home; $30 a month plus the cost of gas and oil; $50 a month plus 12 cents a mile for more than 600 miles a month; nine cents a mile over 600 miles a month plus $50 a month that is added to the employee's W-2 form, and one fleet adds $300 a year to the employee's taxable income.

Seventeen fleets in the group collect the personal use chargeback through an expense report deduction; nine deduct from the regular salary check, while five fleets used a combination of methods, such as deducting the mileage charge from the expense report and deducting the fixed charge from the salary.

Every fleet in the group permits both employee and spouse to drive the company car; 14 allow licensed children to use the car, while in two fleets "others" are permitted to use the vehicle.

Eight fleets in the group have minimum age limits for use of the company car. In half of the fleets it is 18, in the other half it is 21.

In twelve fleets the employee must pay a portion of the repair costs if the car is involved in an accident during personal use. In five fleets the charge is the insurance deductible; in six it is a dollar amount ranging from a low of $50 to a high of $300, and in one fleet it is a fixed amount of $50.

In a majority of insurance fleets, business mileage is the determining factor in assignment of a company car. However, a few fleets use other yardsticks such as being out of the office 50 percent of the time or driving three days a week.

The most frequently cited minimum yearly business mileage is 12,000 miles (6 fleets). Three fleets each set the minimum at 6,000, 15,000, and 20,000 miles. Two set the figures at 10,000 business miles, while one each requires a minimum of 7,500 and 8,000 miles a year.

When an employee whose assigned fleet car is not in service and a personally-owned vehicle is used for business, every insurance fleet reimburses the employee on a straight mileage basis. The reimbursement rate is 20 cents in 17 fleets; two fleets each pay 12, 18, 21, and 22 cents a mile, while one fleet each pays 16, 17, 19, and 23 cents a mile.

For employees who do not have an assigned fleet car and use the personally-owned car for business travel, reimbursement is still based in most cases on mileage. Seventeen fleets pay the employee 20 cents a mile; two pay 21 cents, and one each pay 16, 17, 18, 19, 22, 23, and 26 cents a mile. Two fleets pay a fixed amount plus mileage. In one fleet it is 10 cents a mile plus the cost of gas; in another it is $150 a month plus 9 cents a mile. Three other fleets reimburse the employee on a graduated scale. One pays 23 cents a mile for the first 15,000 miles, then 17 cents for additional mileage; one pays 22 cents a mile for the first 10,000 miles and then 10 cents for additional mileage, while the third pays 16 cents for the first 7,000 miles and 10 cents a mile for each mile over 7,000.

### Manufacturing-Consumer Group

The Manufacturing-Consumer Group is represented by 27 fleets operating 15,858 vehicles (6,646 company-owned, 8,262 leased, and 950 employee-owned). Every fleet in the group but one permits personal use of the company-provided car, while three others place restrictions on personal use — under 5,000 miles a year; no more than 500 miles on any one trip, and within a 300-mile radius of the employee's home. Personal use is estimated to be about 14 percent of total mileage.

Three fleets that permit personal use do not charge for it; the other 23 fleets in the group do have a personal use chargeback program. Eight fleets are reimbursed on personal mileage basis — two fleets each charge 10 and 20 cents a mile; while one each charges 9, 12, 12½, and 15 cents a mile.

Eleven fleets have a fixed rate for personal use. Two charge $25 a month, while the others fix the rate at $8 a week, $6.74 a week, and $22 a week. Monthly charges include $40, $60, $25, $15 to $75 and $10 to $25 depending on assigned car, and one fleet charges $360 a year ($30 a month) that is added to the employee's W-2 form as income.

Five fleets use a combination of mileage and fixed charge. These include $67 a month plus 5 cents a mile; $6 a week and 11 cents a mile; $30 a month and 8 cents a mile; $33 a month and 10 cents a mile for trips of more than 200 miles, and $75 a month plus 6 cents a mile plus the cost of gas and maintenance.

Ten fleets in the group collect the personal use chargeback through an expense report deduction;

## Summary of Survey Responses

| Group | Number of Fleets | Total Number of Cars | Company Owned | Leased | Employee Owned |
|---|---|---|---|---|---|
| Drug & Cosmetic | 18 | 13,096 | 726 | 12,145 | 225 |
| Manufacturing-Consumer | 27 | 15,858 | 6,646 | 8,262 | 950 |
| Manufacturing-Industrial | 25 | 18,913 | 7,388 | 11,519 | 6 |
| Food & Beverage | 16 | 14,755 | 8,400 | 6,355 | — |
| Insurance | 33 | 42,314 | 22,315 | 12,909 | 7,090 |
| Chemical & Petroleum | 14 | 10,292 | 1,809 | 8,451 | 32 |
| Miscellaneous | 15 | 5,041 | 2,560 | 2,371 | 110 |
| Public Utility | 9 | 5,147 | 4,258 | 389 | 500 |
| Government | 7 | 6,447 | 6,447 | — | — |
| Canada | 33 | 9,650 | 3,064 | 6,586 | — |
| Total .................. | 197 | 141,513 | 63,613 | 69,987 | 8,913 |

seven deduct the charge from the employee's salary, while six others use a combination of methods to collect the personal use charge, such as deducting mileage from the expense report and the flat rate from the employee's salary.

Two fleets in the group restrict personal use to the employee alone, while the other 24 permit the spouse to use the company car. Thirteen fleets give licensed children driving privileges, and two fleets permit "others" to use the car.

Four fleets in the group have specific minimum age limits for use of company vehicle — 21 years of age.

Sixteen fleets in the group assess the employee for repair costs that result from an accident while the car is driven for personal use. In two fleets the employee must pay the full cost; in 10 fleets it is a dollar amount that ranges from $50 to $250, and in four fleets the employee is asked to reimburse the company for the insurance deductible.

In most fleets in the group, assignment of a company car is based on job title or responsibility (one fleet called it "consistent need"), a number of fleets do have a minimum number of business miles required. It ranges from a low of 6,000 (in one fleet) to a high of 30,000 miles (two fleets). In between are 20,000 miles (three fleets), and 12,000, 17,500, 18,000 and 24,000 in one fleet each.

When an employee's assigned fleet car is not in operation, every fleet but one reimburses for use of a personally-owned car on a straight mileage basis. In 14 fleets the rate is 20 cents a mile; two pay 22 cents, and one each pays 18, 18½, 19, 22½, and 23 cents a mile. One fleet uses a combination rate of 8.55 cents a mile and $132 a month.

Reimbursement for use of a personal car when there is no assigned fleet car is again based on straight mileage except in two fleets where it is a combination — 8 to 10 cents a mile plus $285 a month and 8.5 cents a mile and $132 a month. In the other fleets the rate is 20 cents a mile (11 fleets), 18½ and 22 cents a mile (two fleets each), while one fleet each pays 18, 19, 22½, and 23 cents a mile.

### Manufacturing-Industrial Group

The 25 fleets in the Manufacturing-Industrial Group who responded to NAFA's annual personal use survey operate 18,913 passenger cars (7,388 company-owned, 11,519 leased, and 6 employee-owned). The participating fleets estimate personal use amounts at slightly more than 17 percent of total mileage.

> ***"There is a continuing increase in the number of fleets charging employees for at least some portion of the repair costs resulting from accidents that occur during personal use of the company car."***

Every fleet in the group permits personal use of the company-provided vehicle, however two fleets place restrictions on such use. In one fleet it is not more than 3,000 miles a year; in the other personal use is limited to 250 miles on weekends. One fleet in the group does not permit the company car to be used for vacation travel.

Of the 25 responding fleets, 22 charge for personal use; three do not. Among the fleets with personal use chargebacks, 9 have a straight mileage charge; 11 set a fixed weekly or monthly charge, and 2 use a combination of charges.

The mileage charge ranges from a low of 8 cents a mile (1 fleet) to a high of 12 cents a mile (three

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## Personal Use Survey Results

*(Continued from page 11)*

fleets). Four fleets charge 10 cents a mile, and one charges 11 cents a mile.

The fixed charges cover a wide range. Two fleets each charge $25 and $30 a month. One each has a chargeback of $30 a month, $50 a month, $50.80, $41.50, and $40 a month. Two fleets have a range of chargebacks based on the type of car provided; in one fleet it is from $50 to $80 a month; in the other $90 or $100 a month. One fleet with a $60 a month chargeback adds $720 to the employee's W-2 form as additional income.

Two fleets in the group use a combination of a fixed and mileage charge. In one it is $15 a month plus the cost of gasoline. In the other it is $40 a month and 10 cents a mile over 400 miles a month when driving a four-cylinder car and $48 a month and 12 cents a mile over 400 miles a month when driving a six-cylinder car.

Eleven fleets collect for personal use by means of an expense report; seven collect through a salary deduction; one adds the amount to the employee's W-2 form as additional income at the end of the year; and one adds $60 per month to the salary.

> ***"1982 was a 'holding' year for personal use chargebacks and reimbursement rates for business use of personally-owned cars."***

One fleet in the group restricts personal use to the employee alone; all others permit the employee's spouse to drive the car; nine extend the driving privilege to licensed children, and four permit "others" to use the vehicle.

Twelve fleets in the Manufacturing-Industrial Group have specific minimum age limits for driving the company car. In six fleets the minimum age is 21; in five it is 25 (except for the spouse of any employee in one fleet), and in one fleet the minimum age is 18.

Seven fleets in the group assess the employee for repair costs resulting from an accident during personal use of the car. In five fleets it is a dollar amount, generally $100, while in two fleets it is the insurance deductible. One fleet reported it is considering a new policy for "at fault" accidents that would include a $100 penalty for the first accident; $300 for the second, and $500 for the third along with loss of the car.

While job title is the basis for most car assignments, some fleets do have a minimum number of business miles required. In ranges from a low of 10,000 ( 2 fleets) to a high of 24,000 (1 fleet). In between are 12,000 ( 3 fleets), 15,000 (3 fleets); 18,000, 18,500, and 20,000 business miles, one fleet each.

Employees who are required to use a personally-owned car when an assigned fleet car is not operable are reimbursed based on mileage in this group. Fifteen fleets pay 20 cents a mile. One fleet each pays 9, 10, 16½, 22, 25, and 30 cents a mile.

When an employee uses a personally-owned car for business because there is no assigned fleet car, all companies, except two, base their reimbursement on a straight mileage rate. In 14 fleets the rate is 20 cents a mile. One fleet each pays 18, 19, 22, 25, and 30 cents a mile. Two fleets in the group reimburse the employee with a fixed amount plus mileage. In one fleet the rate is $150 a month plus 9 cents a mile; in the other it is $50 a week plus 10 cents a mile.

### Miscellaneous Group

The Miscellaneous Group (Others) consists of 15 fleets operating 5,041 passenger cars (2,560 are company-owned, 2,371 leased, and 110 employee-owned). This group is made up of those fleets that do not fall into NAFA's already established categories. The fleet managers participating in the survey report that personal use averages about 19 percent of total miles driven.

Fourteen of the 15 fleets, permit personal use; one, a university, does not. Three fleets don't permit the company-provided vehicle to be used for vacation travel.

Of the 14 fleets that permit personal use, 12 charge the employee for such personal use, while two fleets do not have a chargeback program. Five fleets base their personal use chargeback on mileage; four have a flat or fixed monthly rate, and three use a combination of fixed and mileage charges.

Four fleets charge 10 cents a mile for personal use; one charges 12 cents a mile. Among the fleets with a fixed charge, one sets it at $30 a month, while one has a range of between $70 and $90 a month depending on the assigned car, while another has a chargeback ranging from $80 to $100 a month. Among the remaining fleets, the personal use charge is $25 to $40 a month, plus gasoline; $15 a month and 10 cents a mile, and $60 a month plus 8 cents a mile for all driving over 100 miles a month.

Of the 12 fleets in the group that charge for personal use, four collect through an expense report deduction; four by means of a salary deduction, and four by a combination of both, or by adding the chargeback to the employees' income.

Three fleets in the group restrict personal use to the employee alone; eleven permit the spouse to drive the company-provided car; three extend the driving privilege to licensed children, and two fleets allow "others" to use the car.

Four of the group have set minimum age limits for personal use driving — one fleet at 18, two fleets at 21, and one fleet at 25.

Seven fleets charge the employee at least a portion of the repair costs resulting from an accident during personal use. Two assess a fixed share of

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## Personal Use Survey Results

*(Continued from page 12)*

the cost; one a dollar amount, and four the insurance deductible. One company makes no charge for the first accident, but assesses the employee 50 percent of the repair cost of the second, and 100 percent if there is a third accident during personal use.

Job title is the basic criterion for company car assignments in the group, however some fleets also have a minimum business mileage requirement. It ranges from a low of 6,000 miles to a high of 20,000 miles a year.

Every fleet in the group reimburses an employee for use of a personally-owned car (when the assigned fleet car is not operable) on a mileage basis. Seven fleets pay 20 cents a mile; two pay 18½ cents, while one each pay 12, 15, and 25 cents a mile.

Reimbursement for using a personal car when the employee doesn't have an assigned company car is also based on mileage in all but one fleet. The basic rate is 20 cents a mile (9 fleets) while one each pays 15, 18½, and 25 cents. The exception pays the employee $250 a month plus 11 cents a mile.

### Public Utility Group

The Public Utility Group consists of nine fleets operating 5,147 passenger cars (4,258 are company-owned; 389 leased, and 500 employee-owned). Only four of the nine fleets in the group permit any personal use of the company-provided vehicle.

Of the four fleets that do permit personal use, one fleet restricts such use to "commuting only," while the others permit the car to be driven after hours and on weekends and holidays. They do not authorize its use for vacation travel.

Three of the four fleets permitting personal use have a chargeback system. Two have a straight mileage charge; one each charging 20 and 25 cents a mile. The other fleet has a fixed monthly charge that is collected by means of a salary deduction.

In all four fleets, personal use of the utility's vehicle is limited to the employee alone. Two fleets assess the employee for repair costs resulting from accidents during personal use. One fleet charges the full amount; the other $100.

### What's In Store For March

**The March issue of NAFA Bulletin will carry the personal use survey results regarding compensation to an employee if he is transferred or promoted to a position that doesn't call for assignment of a company car.**

While the majority of public utility fleets assign cars on the basis of job title or need, several do have a minimum number of business miles requirement. In three fleets the minimum is 12,000 miles; in one fleet, 10,000; in another, 18,000 business miles a year.

When an employee's assigned fleet car is not available, all fleets but one reimburse for the use of a personally-owned car on a straight mileage basis. Five fleets pay 20 cents a mile; two pay 25 cents a mile. One fleet pays $41 a month plus 12 cents a mile for such use of a personally-owned car.

> ***"Personal use chargebacks remained at essentially the same level as in 1981..."***

If an employee who doesn't have an assigned fleet car is required to drive a personally-owned vehicle on business, all but one of the public utility fleets reimburse the employee on a mileage basis. The rate is 20 cents a mile in five fleets, and 25 cents a mile in two. One fleet pays its employee $12 a day and 25 cents a mile for the business use of a personally-owned car.

### Government Group

The Government Group is represented by seven fleets operating 6,447 passenger cars, all of them agency-owned. Only three fleets in the group permit any personal use of the agency vehicle.

One of the three limits the personal use to "only commuting from home to office and return." One other fleet says the car can be used only after working hours and on weekends and holidays; use on vacations is prohibited. The third fleet has a policy of permitting personal use "in jurisdiction only."

Two of the three fleets permitting any personal use charge for such driving. In one fleet the chargeback is five cents a mile; in the other it is 10 cents a mile.

In all three fleets only the agency employee is permitted to drive the car.

One of the three fleets charges the employee for repair costs resulting from accidents during personal use. In that fleet the assessment is $200 "if operator at fault or accident was preventable."

Assignment of an agency vehicle is generally restricted by governmental regulations and the existence of motor pools. However, two fleets in the group do set minimum number of business miles before assigning a car to an individual. In one fleet it is 12,000 miles; in the other it is 15,000 a year.

When an assigned fleet car is not operable, the government fleets reimburse employees for use of a personally-owned car on a straight mileage basis. The reimbursement rates range from a low of 21 cents a mile to a high of 30 cents a mile. The same

*(Continued on page 16)*

## Personal Use Survey Results

*(Continued from page 14)*

system is used when a government employee who does not have an assigned fleet car is required to use a personally-owned vehicle for business travel. In general the reimbursement rates are the same, ranging from a low of 21 cents a mile to a top of 30 cents a mile.

### Canada

Thirty-three Canadian fleets responded to the 1982 personal use survey. These fleets operate 9,650 passenger cars, (3,064 are company-owned and 6,586 are leased).

Of the 33 Canadian fleets in the survey, 31 permit personal use of the company-provided vehicle; two do not. One fleet does not authorize use of the company car for vacation travel and two others have restrictions on personal use. In one fleet the limit is 500 miles a year; in the other use is restricted to a 200- mile radius of the company's home office.

Eighteen Canadian fleets reported they charged employees for personal use of the company car, while 13 said they did not have a personal use charge. (Editor's Note: Many of the Canadian responses pointed out that personal use of a company car, according to Canadian tax laws, is a taxable benefit.)

Of the 18 fleets making direct charges for personal use, five employ a straight mileage charge; five have a fixed weekly or monthly chargeback, and five use a combination of both types of charges.

The mileage charges by one fleet each are 5 cents a mile; 10, 11, 12, and 15 cents a mile. The fixed charges are $30 a month (2 fleets); $29.25 a month, 1; $40 a month, 1, and $50 a month, 1 fleet.

Combination chargebacks by Canadian fleets include $30 a month plus 15 cents a kilometer over 1,000 kilometers a month; $30 a month plus six cents a kilometer for vacation travel; $60 a month plus 14.5 cents a mile over 5,200 miles a year; $50 a

*(Continued on page 33)*

### PERSONAL USE SURVEY SUMMARY

| | U.S. Comm. Fleet Totals (148) | | Drug & Cosmetics (18) | | Food & Beverage (16) | | Chemical Petroleum (14) | | Insurance (33) | | Mfg. Consumer (27) | | Mfg. Industrial (25) | | Others (15) | | Public Utility (9) | | Government (7) | | Canada (33) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No |
| Employees Permitted Personal Use of Car? | 144 | 4 | 18 | — | 16 | — | 12 | 2 | 33 | — | 26 | 1 | 25 | — | 14 | 1 | 4 | 5 | 3 | 4 | 31 | 2 |
| After working hours | 144 | — | 18 | — | 16 | — | 12 | — | 33 | — | 26 | 1 | 25 | — | 14 | — | 3 | 1 | 2 | 1 | 29 | 1 |
| Weekends & Holidays | 143 | 2 | 18 | — | 16 | — | 12 | — | 33 | — | 26 | 1 | 25 | — | 13 | 1 | 3 | 1 | 2 | 1 | 30 | — |
| Vacations | 137 | 8 | 18 | — | 16 | — | 10 | 2 | 32 | 1 | 26 | 1 | 24 | 1 | 11 | 3 | — | 4 | 2 | 1 | 30 | 1 |
| Limits on Personal Use | 13 | 131 | — | 18 | 1 | 15 | 1 | 11 | 5 | 28 | 3 | 23 | 2 | 23 | 1 | 13 | 1 | 3 | 2 | 1 | 2 | 29 |
| Charge for Personal Use | 132 | 12 | 18 | — | 15 | 1 | 11 | 1 | 31 | 2 | 23 | 3 | 22 | 3 | 12 | 2 | 3 | 1 | 2 | 1 | 18 | 13* |
| Mileage Charge | 53 | — | 8 | — | 8 | — | 3 | — | 14 | — | 8 | — | 9 | — | 5 | — | 2 | — | 2 | — | 5 | — |
| Flat Charge | 51 | — | 4 | — | 3 | — | 7 | — | 11 | — | 11 | — | 11 | — | 4 | — | 1 | — | — | — | 5 | — |
| Both or Other | 26 | — | 6 | — | 3 | — | 1 | — | 6 | — | 5 | — | 2 | — | 3 | — | — | — | — | — | 5 | — |
| Personal Use Collected by: | | | | | | | | | | | | | | | | | | | | | | |
| Expense Report | 70 | | 12 | | 12 | | 4 | | 17 | | 10 | | 11 | | 4 | | 2 | | 2 | | 10 | |
| Salary Deduction | 38 | | 6 | | 2 | | 3 | | 9 | | 7 | | 7 | | 4 | | 1 | | — | | 7 | |
| Both or Other | 24 | | — | | 1 | | 4 | | 5 | | 6 | | 4 | | 4 | | — | | — | | — | |
| Use Permitted by: | | | | | | | | | | | | | | | | | | | | | | |
| Employee Only | 8 | | — | | — | | 2 | | — | | 2 | | 1 | | 3 | | 4 | | 3 | | 1 | |
| Employee & Spouse | 136 | | 18 | | 16 | | 10 | | 33 | | 24 | | 24 | | 11 | | — | | — | | 30 | |
| Employee & Children | 61 | | 11 | | 6 | | 5 | | 14 | | 13 | | 9 | | 3 | | — | | — | | 19 | |
| Employee & Others | 15 | | 2 | | 2 | | 1 | | 2 | | 2 | | 4 | | 2 | | — | | — | | 1 | |
| Age Limits Set | 40 | 92 | 4 | 14 | 6 | 10 | 2 | 10 | 8 | 25 | 4 | 22 | 12 | — | 4 | 11 | 2 | 2 | — | 2 | 11 | 20 |
| Repair Costs P[illegible] For By Employee | 55 | 89 | 7 | 11 | 4 | 12 | 2 | 10 | 12 | 21 | 16 | 10 | 7 | 18 | 7 | 7 | 2 | 2 | 1 | 2 | 17 | 14 |
| Full Amount | 2 | | — | | — | | — | | — | | 2 | | — | | — | | 1 | | — | | 2 | |
| Fixed Share | 4 | | 1 | | — | | — | | 1 | | — | | — | | 2 | | — | | — | | — | |
| Dollar Amount | 30 | | 5 | | 2 | | [illegible] | | 6 | | 10 | | 5 | | 1 | | 1 | | 1 | | 3 | |
| Insurance Deductible | 19 | | 1 | | 2 | | 1 | | 5 | | 4 | | 2 | | 4 | | — | | — | | 12 | |

* Many of the Canadian responses pointed out that personal use of a company car, according to Canadian tax laws, is a taxable benefit.

### HOUSTON AUTO AUCTION

6535 Bissonnet
Houston, Texas 77074
*Auction Telephone: 713 981-4350*
**James B. Bowers**
Pick Up and Delivery: Unlimited
Reconditioning Facilities: Complete
**Wednesday 10:00 A.M.**

### BIG "H"AUTO AUCTION

701 North Shepherd
Houston, Texas 77007
*Auction Telephone: 713 869-0164*
*713 869-6485*
**Ferrell Petty**
**Bob Sandefur,** *General Manager*
**Avery Scribner,** *Fleet and Lease Coordinator*
Pick Up and Delivery: Unlimited
Reconditioning Facilities: Complete
**Tuesday 11:00 A.M.**

## WEST COAST STATES

### BRASHER'S SOUTHERN CALIFORNIA AUTO AUCTION

P.O. Box 870
Fontana, California 92335
*Auction Telephone: 714 822-2261*
**J. Frank Brasher**
**Jay L. Brasher**
**Larry Brasher**
**Dave Hall** and **Ellie Wheeler,**
*Fleet & Lease Accounts*
Pick Up and Delivery: 1000 Mile Radius
Complete Reconditioning
**Thursday 11:00 A.M.**

### EAST OAKLAND AUTO AUCTION

10121 E. 14th Street
Oakland, California 94603
*Auction Telephone: 415 636-0621*
**Fred Boardman**
Pick-Up and Delivery: No Limits
Reconditioning Facilities: Yes
**Thursday 12:45 P.M.**

### BRASHER'S SACRAMENTO AUTO AUCTION

P.O. Box 405
West Sacramento, California 95691
*Auction Telephone: 916 371-4300*
**Larry Brasher,** *Managing Partner*
**Kathy Garcia,** *Fleet & Lease Accounts*
Pick Up and Delivery: 1,000 Mile Radius
Reconditioning Facilities: Complete
**Tuesday 11:00 A.M.**

### PORTLAND AUTO AUCTION

5035 N.E. 82nd
Portland, Oregon 97220
*Auction Telephone: 503 255-0241*
**Bert Torson,** Dir. of Flt. Serv.
**Don Kennedy**
**Roger Sheik**
Fleet and Lease Specialists
Pick up and Delivery
A Full Service Auction
**Tuesday 12:00 Noon**

### SOUTH SEATTLE AUTO AUCTION INC.

19443 77th Avenue South
P.O. Box 5189
Kent, Washington 98031
*Auction Telephone: 206 872-6800*
**Fred McConkey**
**Bob McConkey, Jr.**
Transport Service, Complete
Reconditioning, Three Auction Lanes,
Test Track, Fleet & Lease Co. Specialists
**Wednesday 11:00 A.M.**

### TRI CITY AUTO AUCTION

P.O. Box 2383
Pasco, Washington 99302
*Auction Telephone: 509 547-1704*
**Nick Drzayich,** *President*
**Jerry Marlow,** *General Manager*
**Dan Smolen,** *Flt. & Lsg. Accts.*
**Gene Thompson, Dick Curtis**
Complete Transport Service
Complete Reconditioning Facilities
**Thursday 12:00 Noon**

## CANADA

### QUEBEC AUTO AUCTION LTD.

1925 Montee St. Francois
Dorval, Montreal, Canada, H9P 1K3
*Auction Telephone: 514 684-1230*
**Michael Miro**
**Morty Miro**
Pick Up and Delivery Across
Canada; Airport Pick Up
Complete Reconditioning Facilities
Guaranteed Condition Reports with Photo
Free Storage
**Tuesday 10:00 A.M.**

### VANCOUVER AUTO AUCTION

805 Boyd Ave.
New Westminster, British Columbia,
Canada V3L 5C3
*Auction Telephone: 604 525-6371,*
*Telex 04-352457*
**John Friesen**
Transport, Complete Reconditioning
Fleet & Lease Accts. 70% Sale Rate
**Wednesday 10:00 A.M.**

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## Personal Use Survey Results

*(Continued from page 16)*

month and 12 cents a mile for more than 300 miles a month, and $25 a month plus 8 cents a mile.

Ten fleets in the group collect for personal use by means of expense report deduction; seven have a salary deduction program and, as noted, many declare the personal use charge as a taxable benefit to the employee.

Only one fleet in the Canadian group restricts personal use privileges to the employee alone; every other fleet permits the spouse to use the car; 19 fleets extend driving privileges to licensed children, and one allows "others" to use the company car.

Eleven fleets in the group have established minimum age limits for driving the company vehicle. The minimum ages are 16, one fleet; 18, two fleets, 21, three fleets, and 25, five fleets.

Seventeen Canadian fleets assess the driver for repair costs resulting from accidents during personal use of the vehicle. In two fleets it is the full amount of the repairs; in three fleets it is a dollar amount — $100 in two cases, and $200 in the other. Twelve fleets require the employee to pay the insurance deductible which ranges from a low of $50 to a high of $250.

In the vast majority of Canadian fleets, company car assignment is based on job title or business need. In those cases where a minimum number of business miles driven is a factor, the mileage ranges from a low of 9,000 to a high of 20,000 business miles a year. The most common figure is 12,000 miles a year.

Like the U.S. fleets in the survey, the Canadian fleets reimburse employees for use of a personal car for business travel on a mileage basis. When the assigned fleet car is not in operation, one fleet pays 28 cents a mile and $41 a month for such use. Every other fleet in the group pays only for mileage. The most often mentioned amounts are 30 and 32 cents a mile (five fleets each). Other fleets pay 22, 23½, 24, 25, 26, 27, 29, and a high of 33 cents a mile for business use of a personally-owned car.

When the employee doesn't have an assigned fleet and is required to use a personally-owned car for business travel, reimbursement is once again based on mileage in all but one fleet. The reimbursement rates range from a low of 22 cents a mile to a high of 33 cents a mile, with 30 cents being the most frequently mentioned (by six fleets). ■

A6755-1

NAFA
# Bulletin
The Magazine for Fleet Administrators

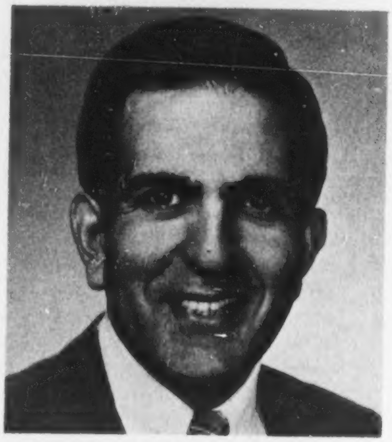
March 1983

# USED CAR MARKETING SURVEY

## Ford's Louis Lataif Delivers Keynote Address At NAFA's Annual Conference Monday Luncheon

Louis Lataif, Ford Motor Company vice president and Ford Division general manager, will be the keynote speaker at NAFA's 26th Annual Conference in Detroit. His keynote address, to be delivered at Monday's luncheon, will provide fleet managers with insight into how the auto industry can develop within the various constraints of today's economy.

A graduate of Harvard School of Business Administration, Mr. Lataif's distinguished career began as a Ford Motor Company executive in 1964 when he joined the staff as a marketing analyst. Since then, he has held a variety of key management positions, including that of marketing studies manager for North American Automotive Operations. His most recent appointment as vice president came after serving for 3 years as Ford division's general marketing manager.



Louis Lataif

## letters

### Deputy Chief Pickett Supports 55 MPH

I read the comments in the December issue of the *NAFA Bulletin*, which were submitted by Mr. William G. McCanne of World Wide Energy Corporation. I would like to make the following remarks.

**1. Fuel Savings** — I do not believe that the matter has been completely resolved, as Mr. McCanne suggests, as to whether there will be a shortage of oil in the next twenty years. It depends on which of the many experts you talk to. One says it exists and the next says there is no shortage.

**2. Saving Human Lives** — true, an alert state of mind is important. To have an accident resulting in personal injuries or property damage, the driver has to over-drive himself, the road, or his vehicle. It is common knowledge that in an accident occurring at 55 mph, occupants would receive only moderate damage, whereas, the same accident at 85 or 90 mph would very possibly result in fatalities for all occupants. Speed is what creates the severity of personal injury or property damage. It is hard to believe that for the average American, 95 mph on a public thoroughfare would be a safe speed. At the Indianapolis 500,

*(Continued on page 4)*

*Cover: Illustrated by Cindi Samol*

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**Bulletin**
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## NAFA Members Report:

# Cars Kept Longer; Driven Further

**NEW NAFA EXCLUSIVE SURVEY**

The trend most prevalent among the fleets responding to NAFA's used car marketing survey was to prolong the number of months and miles a car is kept in service.

A total of 179 fleets operating 138,577 passenger cars participated in the 1982 survey. Included in the group were 34 Canadian fleets; 9 U.S. Government and police fleets and 10 public utility fleets.

This is the first time NAFA has conducted a survey on used car marketing. Based on the survey findings, the average number of miles driven at the time the cars were marketed was 59,000. The average number of months the cars were kept in service was 33. These averages include the Government and police fleets and public utility fleets whose vehicles are kept for a longer period of time.

Several methods of determining a sale price were reported by those fleets who sold vehicles directly to employees. The most common method reported by all the groups was the Automotive Market Report (AMR) price quote for "clean" condition, less percentage and/or mileage.

We also asked our respondents what method they used when marketing their vehicles. Of the vehicles sold, the most common method reported by all the groups was to sell to employees. Selling to wholesalers was the second most popular method quoted.

### Drug & Cosmetic Group

The Drug & Cosmetic Group consists of 15 fleets operating 6,894 passenger cars (1,041 company-owned and 5,853 leased). There were 2,533 cars or 37 percent of the fleet sold in 1981. The average number of miles driven at the time of marketing was 59,000. The average number of months the cars were in service was 26.

We asked our respondents what method they used when marketing their vehicles. Of the vehicles sold, 46% were sold to wholesalers; 22% were sold to employees; 19% were sold to used car dealers and 13% were consigned to auto auctions.

Several methods of determining a price were reported by those fleets who sold vehicles directly to employees. The following is a breakdown of the various ways in which prices were set:

- Two used current wholesale prices;
- Three used leasing company recommendations;
- Two used a percent of AMR (in "fair" condition) less high mileage;
- Two averaged the Black Book's quoted value and the value between average and rough;
- One used an AMR adjustment;
- One took the highest value of either the "clean" Black Book or Lease Book, and
- One took the average of the wholesale value from the NADA, AMR and Red Book.

### Who Sets the Price?

The question of who sets the used car price was asked. Eight said it was the fleet manager, 1 said that the leasing company set the price and 1 fleet adapted a company formula to the leasing company's suggested price.

When we looked at the major changes in used car marketing methods within the past three years, of the 15 fleets only 2 said they did change their used car marketing methods. One allows the leasing company to make the decisions, and the other said that they used to handle employee sales, but now they have turned it over to the leasing company.

Fifty-three percent of the Drug & Cosmetic Group fleets made major changes in the length of time their cars are kept in service and the number of miles driven. The following chart shows what these changes in the recycling policies were:

Major Changes in Recycling Policies
(One fleet each)

| From | To |
|---|---|
| 24 mos. or 40,000 miles | 36 mos. or 60,000 miles |
| 36 mos. or 60,000 miles | 30 mos. or 50,000 miles |
| — 50,000 miles | — 55,000 miles |
| 25 mos. or 55,000 miles | 31 mos. or 65,000 miles* |
| 24 mos. — | 30 mos. — |
| 36 mos. or 54,600 miles | 48 mos. to 74,000 miles |
| 36 mos. or unlimited miles | 24 mos. to 55,000 miles |
| — 55,000 miles | min. of 24 mos. to max. of 75,000 miles |

*If a car is in good condition the ordering cycle will be extended from Fall-Spring to Spring-Fall.

According to this chart, 6 of the fleets extended the number of months and miles that their cars were kept in service. Only 2 fleets have done the opposite.

### Food & Beverage Group

The Food & Beverage Group consists of 12 fleets operating 6,541 passenger cars (3,922 company-owned, 2,477 leased and 142 employee-owned). There were 2,358 cars or 37% of the fleet sold in 1981. The average number of miles driven at the time of marketing was 43,000. The average number of months the cars were in service was 25.

When the respondents were asked what method they used to market their vehicles, 31% were sold to their employees; 25% were consigned to auto auctions; 23% were traded for a new car and 21% were sold to wholesalers.

> ***"The average number of miles driven at the time the cars were marketed was 59,000. The average number of months the cars were kept in service was 33."***

Several methods of determining a price were reported by those fleets who sold vehicles directly to employees. Here is a breakdown of the various ways in which prices were set:

- One used the National Auto Research's Black Book;
- One used the lowest wholesale value of the Blue Book;
- One used AMR less miles and cost for reconditioning;
- One said they used the Blue Book as a guide;
- One used a combination of lessee's book price and used car market value;
- Two said they used AMR;
- One went by the fair market value, and
- One said he based it on the residual value.

The question of who sets the used car price was asked. Of those responding, 5 said it was the fleet manager who set the price and only 1 reported that it was done by the leasing company.

Only 2 fleets made major changes in their used car marketing methods in the past three years. One commented that they switched from selling for a depreciated book value of $5,000 to selling for a low Blue Book wholesale value. They felt that this was still a bargain for the employee and much more economical for the company. The other fleet that changed its policy said that it mandated one division into employee-owned vehicles and combined it with selling company cars to employees and friends.

Not many fleets in this group reported major changes in their recycling policy. Of the 12 fleets, only 3 said that they made major changes. The chart below reveals what these charges were:

Major Changes in Recycling Policies
(One fleet each)

| From | To |
|---|---|
| — over 60,000 miles | — under 60,000 miles |
| 24 mos. or 50,000 miles | 36 mos. or 75,000 miles |
| 24 mos. or 24,000 miles | 26 mos. or 54,600 miles |

The chart indicates that of the fleets that did make a major change, 2 extended the number of months and miles the cars were kept in service, and 1 reduced the number of miles.

### Chemical & Petroleum Group

The Chemical & Petroleum Group consists of 16 fleets operating 10,969 passenger cars (4,825 company-owned, 6,114 leased and 30 employee-owned). There were 2,937 cars or 26% of the fleet sold in 1981. The average number of miles driven at the time of marketing was 62,000. The average number of months the cars were in service was 32.

We asked our respondents what method they used when marketing their vehicles. Of the vehicles sold, 57% were sold to wholesalers; 19% were sold to employees; 16% were consigned to auto auctions; 3% were sold to used car dealers and 5% were traded for a new car.

Several methods of determining a price were reported by those fleets who sold vehicles directly to employees. In this group, AMR was the method most often cited, but used in conjunction with a variety of other methods. The following is a breakdown on how the prices were set:

- One used the Used Car Guide;
- One used NADA Wholesale;
- One used NADA loan less 10%;
- One used NADA and 3 local bids;
- One had a sealed bid using AMR as a base;
- One used AMR ("fair" condition);
- One used AMR ("clean");
- One used AMR less %;

*(Continued on page 10)*

# Used Car Marketing Survey

*(Continued from page 9)*

- One used AMR ("clean" less mileage and reconditioning expenses, and
- One set his price based on $10 over the highest bid.

The question of who sets the used car price was also asked in the survey. Seven said it was the fleet manager, 2 said it was the leasing company, 1 reported that it was a combination of the leasing company and the fleet administrator, and 1 said the leasing company set the price, but used the company formula.

When we looked at the major changes in used car marketing methods within the past three years, of the 16 fleets, 5 said they did change their used car marketing methods. One commented that all sales are approved by the fleet administrator prior to the removal from the fleet, and were no longer sold by the leasing company. Another said that the leasing company quoted prices directly to the driver, and he, the fleet manager, did not get involved unless a problem occurred. One reported that they discontinued selling vehicles to employees and now return all cars to the leasing company. Another said that they switched from having the leasing company sell the vehicles to having the company handle its own selling to employees and used car dealers. And finally, one stated that in 1982 they switched from local sales by their purchasing department to selling in many locations by a leasing company.

Sixty-three percent of the Chemical & Petroleum fleets made major changes in the length of time its cars are kept in service and the number of miles driven.

The chart below shows what these changes in the recycling policies were:

**Major Changes in Recycling Policies**
**(One fleet each)**

| From | To |
|---|---|
| 42 mos. or 80,000 miles | 48 mos. or 90,000 miles |
| 36 mos. or 60,000 miles | 48 mos. or 75,000 miles |
| 40 mos. — | 48 mos. — |
| — 50,000 miles | — 60,000 miles |
| 26 mos. or 60,000 miles | 30-36 mos. or 65-70,000 miles |
| — 50,000 miles | — * |
| 36 mos. or 70,000 miles | 36 mos. or 90,000 miles |
| — 60-70,000 miles | — 80,000 miles |
| 36 mos. to 70,000 miles | 48 mos. or 90,000 miles |
| 48 mos. — | 36 mos. — |
| 24 mos. — | 36 mos. — |

*The vehicle is replaced when it is economically justified.

According to this chart, all of the fleets, except 1, have extended either the number of months or miles that the cars were kept in service.

## Insurance Group

The Insurance Group consists of 30 fleets operating 30,247 passenger cars (19,249 company-owned, 7,998 leased and 3,000 employee-owned). There were 9,181 cars or 30% of the fleet sold in 1981. The average number of miles driven at the time of marketing was 51,000. The average number of months the cars were in service was 27.

We asked our respondents what method they used when marketing their vehicles. Of the vehicles sold, 30% were sold to employees; 25% were sold to wholesalers; 18% were consigned to auto auctions; 20% were traded for a new car and 7% were sold to used car dealers.

Several methods of determining a price were stated by those fleets who sold vehicles directly to employees. The following breakdown shows the various ways in which prices were set:

- One used AMR and the undepreciated book value;
- One averaged the prices based on several guide books and auction figures;
- Five went strictly by AMR;
- One used AMR "clean" less $100.00;
- One based it on a percentage of AMR;
- One determined it by the wholesale price;
- One used AMR "clean" less mileage;
- Two determined it on the wholesale market value;
- One used AMR less a sliding percentage;
- One said he used AMR "clean" less mileage, less 15% for reconditioning;
- One used NADA (Yellow Book) and the average trade-in price;
- One took the average of NADA wholesale and actual market value;
- One based it on the NADA price at trade-in;
- Two used the Keiley Blue Book;
- Two used NADA Book prices, and
- One used AMR "clean" less mileage, less 10% for reconditioning.

The question of who sets the used car price was asked. Nineteen said it was set by the fleet manager, 4 said that the leasing company set the price, 1 reported that the leasing company did, but adapted the company's formula and 1 each said it was the purchasing manager and home office transportation department.

### 34% Made Major Changes

Thirty-four percent of the group said they made major changes in their used car marketing methods within the past three years. One switched from having the leasing company dispose of the vehicles to in-house disposal. One raised the number of cars sold to employees from 11% to 35%. Another changed from trading with a new car dealer to selling to the general public. One is now selling more to employees and less to wholesalers. One commented that in the past they sold their cars only through a leasing company, but now also

*(Continued on page 12)*

## Average Miles and Months

| | # of Cars in Fleet | # of Cars Sold in 1981 | Average Miles Driven | Average Months In Service |
|---|---|---|---|---|
| Drug & Cosmetics (15) | 6,894 | 2,533 | 59,000 | 26 |
| Food & Beverage (12) | 6,541 | 2,358 | 43,000 | 25 |
| Chemical & Petroleum (16) | 10,969 | 2,937 | 62,000 | 32 |
| Insurance (30) | 30,247 | 9,181 | 51,000 | 27 |
| Mfg. Consumer (19) | 15,906 | 5,039 | 61,000 | 30 |
| Mfg. Industrial (26) | 29,624 | 10,626 | 51,000 | 25 |
| Banking & Financial Services (8) | 2,048 | 759 | 53,000 | 34 |
| Public Utility (10) | 15,370 | 497 | 74,000 | 69 |
| Government/Police (9) | 9,439 | 2,458 | 76,000 | 36 |
| Canada (34) | 11,539 | 3,696 | 61,000 or 98,000km | 28 |

## Used Car Marketing Survey

*(Continued from page 10)*

trade some of the vehicles with new car dealers and consign used vehicles to auto auctions. Another said that they formerly traded cars to dealerships, but now have a buy-sell program that lets the leasing company do the "leg work." One fleet said that their company is selling to wholesalers. Another reported that they initiated selling to employees as of this year. One stated that they have switched from trading all used cars not sold to employees to selling to new car dealers. They have also engaged two fleet disposal companies to sell approximately half of the cars that are not sold to employees. The last comment was from a fleet that went from an extremely limited use of trades to using both wholesale and salvage auctions.

Thirty-four percent of the group also reported that they have made a major change in the length of time their cars are kept in service and the number of miles their cars are driven. The chart below shows what these changes were:

**Major Changes in Recycling Policies**
**(One fleet each)**

| From | To |
|---|---|
| 24 mos. or 40,000 miles | 35 mos. or 60,000 miles |
| — 50,000 miles | — 60,000 miles |
| 24 mos. or 50,000 miles | 30 mos. or 60,000 miles |
| 24 mos. or 60,000 miles | 36 mos. or no limit |
| 26 mos. or 55,000 miles | 36 mos. or 60,000 miles |
| — 50,000 miles | — 60,000 miles |
| 36 mos. or 45,000 miles | 48 mos. or 55,000 miles |
| 26 mos. or 50,000 miles | 36 mos. or 75,000 miles |
| — 60,000 miles | — 75,000 miles |
| — 60,000 miles | — 55,000 miles |
| — 45,000 miles | — 60,000 miles |

According to the chart, 10 fleets reporting a change in their recycling policies have extended either their months and/or miles, only 1 reduced their miles. In two instances, miles were extended from 50,000 and 60,000 miles to 75,000 miles for each. This was the largest increase in mileage reported for the industrial group.

### Manufacturing-Consumer Group

There are 19 fleets operating 15,906 passenger cars (10,616 company-owned and 5,290 leased) in the Manufacturing-Consumer Group. There were 5,039 cars or 32% of the fleet sold in 1981. The average number of miles driven at the time of marketing was 61,000. The average number of months the cars were in service was 30.

When the respondents were asked what methods they used to market their vehicles, 37% were consigned to auto auctions; 29% were sold to wholesalers; 25% were sold to employees; 7% were traded for a new car; 1% was sold to used car dealers and 1% was sold privately.

Several methods of determining a price were reported by those fleets who sold vehicles directly to employees. The most common method reported was using AMR "clean" condition less mileage, less a percentage for reconditioning costs. Other ways in which prices were set are listed below:

- One based it on 10% under Blue Book;
- Three used NADA's used car wholesale price;
- One adjusted wholesale prices;
- One used Galves' auto price list;
- One used a special formula which incorporated the depreciated value and wholesale price;
- One determined the price by securing quotes from national vendors, and
- One used the Black Book "rough" condition.

The question of who sets the used car price was asked. Twelve said it was the fleet manager, 2 said it was set by the leasing company and 1 commented that the systems manager set the price.

When we looked at the major changes in used car marketing methods within the past three years, of the 19 fleets only five said they effected a major change. One said they switched from selling to wholesalers to private sale. One reported that the cars were once owned by a local leasing company and sold by them. Now the fleet manager handles these sales. They also stated that they were in the process of changing to a national leasing company which would handle the sales. Another fleet said that it switched to a greater use of wholesalers and a smaller use in dealer trades. One commented that they have gone from local bids and price quotes to national vendors who use AMR as a guide. The final comment was from a respondent who said they are now actively referring outside bidders to a leasing company.

Of the 19 fleets responding to the survey, 3 said that they have made major changes in the length of time their cars are kept in service and in the number of miles driven. The chart below shows what these changes in the recycling policies are.

**Major Changes in Recycling Policies**
**(One fleet each)**

| From | To |
|---|---|
| 36 mos. or 65,000 miles | 36-48 mos. or 80,000 miles |
| 24 mos. or 60,000 miles | 36 mos. or 100,000 miles |
| — 60,000 miles | — 55,000 miles* |

*The mileage was reduced because of the 4-cylinder cars in their fleet, but it may go back to 60,000 miles depending on what experience will dictate.

### Manufacturing-Industrial Group

The Manufacturing-Industrial Group consists of 26 fleets operating 29,624 passenger cars (3,305 company-owned, 24,763 leased and 1,556 employee-owned). There were 10,626 cars or 37% of the fleet sold in 1981. The average number of miles driven at the time of marketing was 51,000. The average number of months the cars were in service was 25.

We asked our respondents what method they used when marketing their vehicles. Of the vehicles sold, 57% were sold to employees; 19% were consigned to auto auctions; 18% were sold to wholesalers, and 6% were sold at retail.

Several methods of determining a price were reported by those fleets who sold vehicles directly to employees. The following is a breakdown of the various ways in which prices were set:

- One used wholesale Black Book appraisals;
- Two used NADA & the company book value;
- One used AMR "fair" less mileage;
- Three used wholesale Blue Book;
- Four used a percentage of AMR;
- Seven used AMR;
- One determined it by the wholesale/retail market;
- One used the leasing company's book value;
- One averaged the wholesale price and book value;
- One established the minimum bid at a price that was $300-500 below wholesale, and
- One used NADA wholesale.

As to the question of who sets the used car price, 15 said it was the fleet manager, and 3 said that the leasing company set the price. (It is interesting to note that 85% of the cars operated by this group are leased, and only 3 fleet managers allow the leasing company to set the used car price.)

> ***"The most common method of determining a sale price reported by all the groups was the AMR price quote for 'clean' condition, less percentage and/or mileage."***

When we looked at the major changes in used car marketing methods within the past 3 years, of the 26 fleets, 7 said they did change their used car marketing methods. Two said that they are making an active effort to sell used vehicles in-house. One said that they no longer involve the driver when marketing the used vehicle but now sell to wholesalers and used car dealers. Three fleets said that they are now encouraging more sales to employees. Another reported that they switched from consigning used vehicles at auctions and wholesalers to a buy-sell program (disposal at a fee).

Of the 26 fleets, 42% have made major changes in the length of time their cars are kept in service and in the number of miles driven. The chart below reveals the changes made by this group.

**Major Changes in Recycling Policies**
**(One fleet each)**

| From | To |
|---|---|
| — 45,000 miles | — 50,000 miles |
| 36 mos. or 60,000 miles | 48 mos. or 100,000 miles |
| — 50,000 miles | — 60,000 miles |
| 24 mos. or 50,000 miles | 36 mos. or 75,000 miles |
| 36 mos. or 50,000 miles | 48 mos. or 70,000 miles |
| — 55,000 miles | — 50,000 miles |
| 26 mos. or 50,000 miles | 30 mos. or 55,000 miles |
| 30 mos. or 55,000 miles | 32 mos. or 65,000 miles |
| 24 mos. or 60,000 miles | 36 mos. or 90,000 miles |
| 30 mos. or 80,000 miles | 37 mos. or 97,000 miles |
| — 60,000 miles | — 70,000 miles |

According to the chart, the trend is to extend either the miles or months the cars are in service.

*(Continued on page 14)*

# Used Car Marketing Survey

*(Continued from page 13)*

## Banking & Financial Services Group

The Banking & Financial Services Group consists of 8 fleets operating 2,048 passenger cars (1,615 company-owned and 433 leased). There were 759 cars or 37% of the fleet sold in 1981. The average number of miles driven at the time of marketing was 53,000. The average number of months the cars were in service was 34.

We asked our respondents what method they used when marketing their vehicles. Of the vehicles sold, 60% were sold to employees; 18% were sold to wholesalers; 14% were consigned to auto auctions and 8% were traded for a new car.

Several methods of determining a price by those fleets who sold vehicles directly to employees. The following is a breakdown of the various ways in which prices were set:

- One used the Kelley Blue Book;
- One based it on the wholesale book;
- One used the Black Book;
- One took the greater value of either the Black Book at 80% or the leasing company's book;
- One used the NADA Guide, auto auction reports and newspapers, and
- One used only the NADA Guide.

The question of who sets the used car price was asked. Six said it was the fleet manager and one said that the company set the price.

When we looked at the major changes in used car marketing methods within the past three years, of the 8 fleets, only 4 said they did change their used car marketing methods. One said they now stuff flyers or letters concerning car sales into all employee payroll checks statewide. Another said that in order to determine maximum trade-in price, they take the average annual mileage and performance level of the vehicle. One commented that they switched to auto auctions. And one said that they have changed from returning all cars to the leasing company to selling them in-house.

Of the 8 fleets, 2 said they made a major change in the length of time their cars are kept in service and the number of miles driven. One said they changed from 24 months or 42,000 miles to 36 months or 47,000 miles and up. The other fleet said that the recycling policy is determined on an individual basis.

## Public Utility Group

The Public Utility Group consists of 10 fleets operating 15,370 passenger cars (13,905 company-owned and 1,465 leased). There were 497 cars or 17% of the fleet sold in 1981. The average number of miles driven at the time of marketing was 74,000. The average number of months the cars were in service was 69.

We asked our respondents what method they used when marketing their vehicles. Of the vehicles sold, 91% were consigned to auto auctions; 3% were sold to employees; 3% were sold to used car dealers; 1% was sold to wholesalers and 1% was advertised in the newspaper and sold on the highest bid.

Several methods of determining a price were reported by those fleets who sold directly to employees. The following is a breakdown of the various ways in which prices were set:

- One used the Blue Book;
- Two took the wholesale value, and
- One had a sealed bid.

The question of who sets the used car price was asked. Three said it was the fleet manager and 1 said that management set the minimum for bids.

When we looked at the major changes in used car marketing methods within the past three years, of the 10 fleets, 3 said they did change their used car marketing methods. One switched from trade-in to auto auctions. Another said they switched from holding their own auction to consigning to local auto auctions. The final comment was from a fleet that switched from employee sale to dealer auction.

Of the 10 fleets, 3 said they made a major change in the length of time their cars are kept in service and the number of miles driven. The chart below shows what these changes were:

**Major Changes in Recycling Policies**
**(One fleet each)**

| From | To |
|---|---|
| 66 mos. or 60,000 miles | 90 mos. or 80,000 miles |
| 60 mos. or 80,000 miles | 30 mos. or 58,000 miles |
| * | |

*Vehicles in this fleet are now kept in service until they are "unserviceable."

## Government & Police Group

The Government & Police Group consists of 9 fleets operating 9,439 passenger cars (9,095 company-owned and 344 leased). There were 2,458 cars or 27% of the fleet sold in 1981. The average number of miles driven at the time of marketing was 76,000. The average number of months the cars were in service was 36.

We asked our respondents what method they used when marketing their vehicles. Of the vehicles sold, 8% said they were required by legislation to sell at public auctions and 1% consigned their vehicles to auto auctions.

Because the vehicles are sold at public auctions, the prices are determined by depreciation and the condition of the vehicle. They are then sold to the highest bidder. Anyone interested in purchasing the vehicle must bid at a public sale.

When we looked at the major changes in used car marketing methods within the past three years, of

*(Continued on page 16)*

## Methods of Used Car Marketing

| | Employees | Wholesalers | Used Car Dealers | Auto Auctions | Traded for New Car | Other |
|---|---|---|---|---|---|---|
| Drug & Cosmetics (15) | 22% | 46% | 19% | 13% | — | — |
| Food & Beverage (12) | 31% | 21% | — | 25% | 23% | — |
| Chemical & Petroleum (16) | 19% | 57% | 3% | 16% | 5% | — |
| Insurance (30) | 30% | 25% | 7% | 18% | 20% | — |
| Mfg. Consumer (19) | 25% | 29% | 1% | 37% | 7% | 1%* |
| Mfg. Industrial (26) | 57% | 18% | — | 19% | — | 6%* |
| Banking & Financial Services (8) | 60% | 18% | — | 14% | 8% | — |
| Public Utility (10) | 3% | 1% | 3% | 91% | 1% | 1%** |
| Government/Police (9) | — | — | — | 4% | — | 96%*** |
| Canada (34) | 46% | 27% | 10% | 9% | 8% | — |

* Cars sold privately

** Advertised in newspaper & sold on bids

*** Practically all government and police fleet sold their cars at public auctions

## Used Car Marketing Survey

*(Continued from page 14)*

the 9 fleets only 2 said that they did change their used car marketing methods. One said that they have started consigning to auto auctions that sell to dealers only. The other said that they are now required by city code to sell at public auction.

Three said they made major changes in the length of time their cars are kept in service and the number of miles driven. The following chart shows what the changes in the recycling policies were:

**Major Changes in Recycling Policies**
**(One fleet each)**

| From | To |
|---|---|
| 60 mos. or 60,000 miles | 84 mos. or 100,000 miles |
| — 60,000 miles | — 70,000 miles |
| 60 mos. or 60,000 miles | 48 mos. or 50,000 miles |

According to the chart, only one fleet went down in months and miles their cars are in service. This vehicle cycle is below the average number of miles and months reported by the group.

### Canada

The Canadian segment of the used car marketing survey consists of 34 fleets operating 11,539 passenger cars (4,051 company-owned, 7,330 leased and 158 employee-owned). There were 3,696 cars or 32% of the fleet sold in 1981. The average number of miles driven at the time of marketing was 61,000 or 98,000 kms. The average number of months the cars were in service was 28.

We asked our respondents what method they used when marketing their vehicles. Of the vehicles sold, 46% were sold to employees; 27% were sold to wholesalers; 10% were sold to used car dealers; 9% were consigned to auto auctions and 8% were traded for a new car.

Several methods of determining a price were reported by those fleets who sold vehicles directly to employees. The following is a breakdown of the various ways in which prices were set:

- One used the depreciated book value;
- One used a closed bid;
- Two used the book value at the time of sale;
- Three based it on the wholesale market value;
- Two used the book value plus $300;
- Two used the Canadian Black Book's average wholesale price;
- Five based it on the age and condition plus the Canadian Black Book;
- One used 95% of the Canadian Black Book "clean" price;
- One used a combination of the Canadian Black Book and actual book value;
- One used the depreciated value plus $100;
- One based it on the vehicle condition report, and
- One took the average of the Black Book in addition to the leasing company suggestion or the book value whichever was higher.

The question of who sets the used car price was asked. Thirteen said it was the fleet manager; 2 said it was the leasing company; 2 said it was determined by the company; 2 said it was set by the dealer supplying the new car and 1 each said it was the purchasing manager, vice president of finance, sales service manager and fleet management services.

When we looked at the major changes in used car marketing methods within the past three years, of the 34 fleets, 7 said they did change their used car marketing methods. One said that now the leasing company handles all transactions which includes negotiating prices between the company and the driver. One commented that in the past all the vehicles went to bid within the company, but when the new taxable benefit laws came into effect this past year, the company made an offer to the driver to purchase at a reduced price. If the driver decided not to buy their car, the company put the vehicle up to bid for the remainder of the employees. One said they switched from trading with new car dealers to offering the used car to company employees at book value. One started to use auto auctions in the past year. One company used to sell to employees at book value, but now is trying to get at least a wholesale price. One said that approximately 10% used to be sold to employees, but because of severe Consumer Protection Regulations, they now sell all used vehicles through auto auctions. One reported that they switched from having their drivers sell to used car dealers to having the leasing company sell to wholesalers.

> ***The Canadian segment reported: "The average number of miles driven at the time of marketing was 61,000 or 98,000 kms. The average number of months the cars were in service was 28."***

Fifty percent of the Canadian fleets reported a major change in the length of time their cars are kept in service and the number of miles driven. The chart below shows what these changes in the recycling policies were:

**Major Changes in Recycling Policies**
**(One fleet each)**

| From | To |
|---|---|
| — 69,000 miles | — 88,000 miles |
| 36 mos. or 60,000 miles | 48 mos. or 100,000 miles |
| — 80,000 miles | — 90,000 miles |
| 28 mos. or 49,000 miles | 30 mos. or 62,000 miles |
| — 43,000 miles | — 46,000 miles |
| 30 mos. or 68,000 miles | 26 mos. or 46,000 miles |
| 36 mos. or 52,000 miles | 48 mos. or 86,000 miles |
| 12 mos. or 50,000 miles (4-cylinder) | 18 mos. or 55,000 miles (4-cylinder) |
| 12 mos. or 60,000 miles (6-cylinder) | 18 mos. or 60,000 miles (6-cylinder) |
| 24 mos. or 49,000 miles | 30 mos. or 55,000 miles |
| 24 mos. or 52,000 miles | 36 mos. or 62,000 miles |
| 24 mos. or 50,000 miles | 36 mos. or 60,000 miles |
| 24 mos. or 50,000 miles | 36 mos. or 62,000 miles |
| 36 mos.* — | 44 mos.* — |
| 24 mos. — | 36 mos. — |
| — 62,000 miles | — 54,000 miles |
| 24 mos. or 55,000 miles | 36 mos. or 74,000 miles |
| 36 mos. or 59,000 miles | 48 mos. or 59,000 miles |

* Vehicles belonging to managers only.

Of the 17 fleets, only 2 have decreased the number of months and or miles their cars are kept in service. ■

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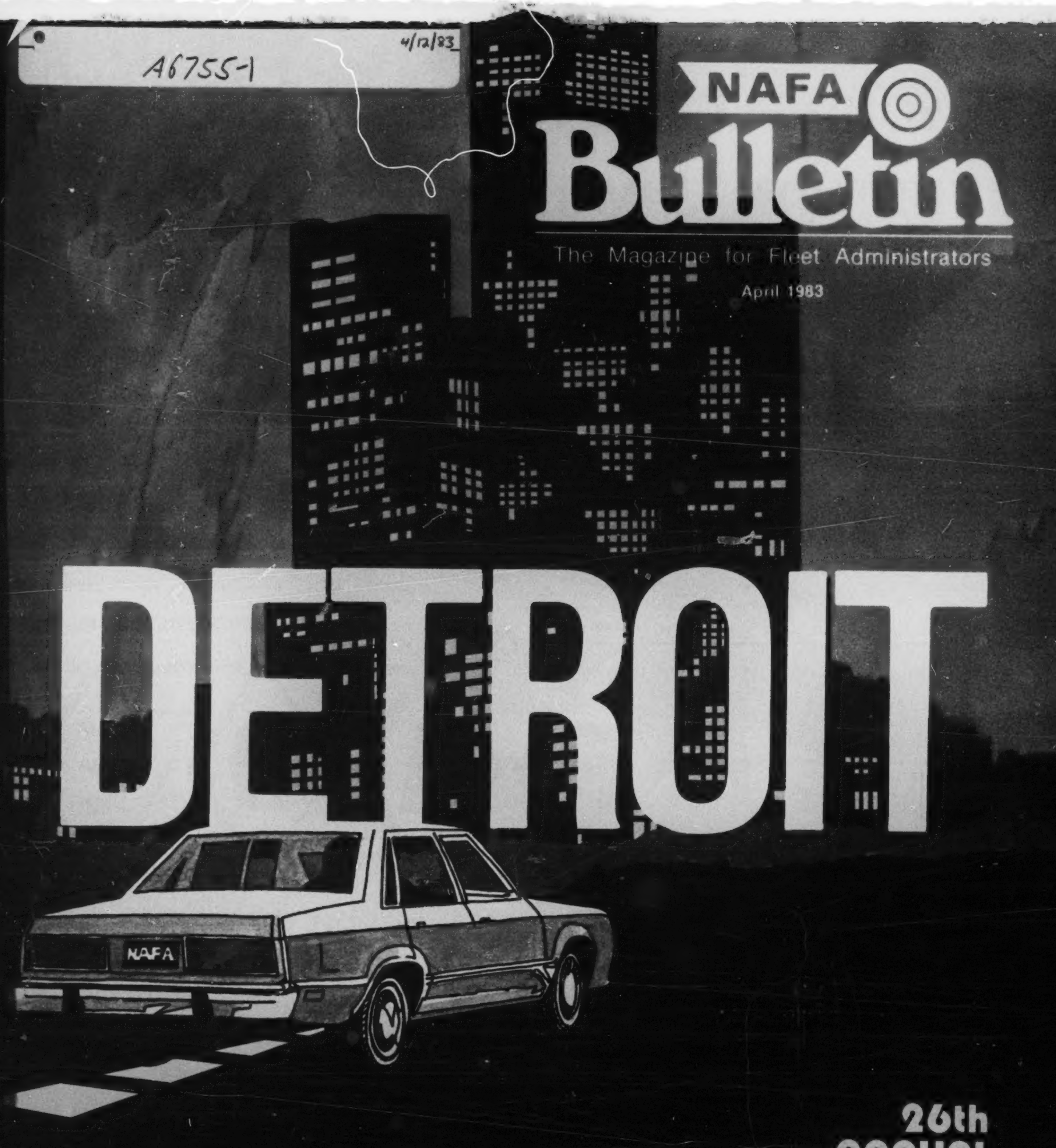
# NAFA Bulletin

The Magazine for Fleet Administrators

April 1983



# DETROIT

## 26th ANNUAL CONFERENCE

## APRIL 17-20

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# news highlights

## Stanford Computer Program is Available For Data Input at NAFA Conference

"Participants at NAFA's Annual Conference in Detroit will be invited to sit down at a computer terminal and communicate directly with the Stanford University mainframe computer located in Palo Alto, California. This will demonstrate the computer program developed under the direction of Professor Gayton Germane of the Stanford Graduate School of Business in cooperation with the NAFA Foundation, Inc.," Les Landau, president announced.

### Offered All Day

The program, titled "Computer Analysis of Fleet Lease/Purchase Decisions," will be offered as an ongoing event throughout the Conference from 9:30 a.m. to 5:00 p.m. on Monday, Tuesday, and Wednesday.

According to Landau, the program will provide a sophisticated analysis of the factors affecting costs in buy-lease decisions or alternative financing possibilities. Advisers will be available to help you operate the terminal and input data. You are welcome to bring your own data to use in testing the program. If you decide to do so, you will need the following data:

1) ASSET
    a) Purchase Price
    b) Date of Purchase
    c) Useful Life
    d) Resale Value
    e) Projected Date of Resale
2) DEPRECIATION
    a) Method
    b) Depreciable Life
    c) Salvage Value
3) INVESTMENT TAX CREDIT
4) LOAN
    a) Amount
    b) Date of Commencement
    c) Financial Life
    d) Yearly Interest Rate
    e) Payment Type
    f) Payment Frequency
5) MISCELLANEOUS LOAN EXPENSES
    a) Date of the Loan Expenses
6) INCOME TAX RATE
7) YEARLY DISCOUNT RATE
8) LEASE
    a) Amount Per Year
    b) Payment Frequency
9) MISCELLANEOUS LEASE EXPENSES
    a) Date of the Lease Expenses

When an item in the list is considered irrelevant, the user should assign it a value of "0." The computer calculations will then be unaffected by that item.

For those who do **not** bring their own data, hypothetical cases will be available for your use.

"This hands-on demonstration is an example of the studies in Fleet Management the NAFA Foundation, Inc. is supporting," Landau said.

*Cover: Illustrated by Cindi Samol*

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# Operating Expenses Drop 1¢

## Stable Fuel Prices and Fuel Economy Is the Reason for the Decline

**Fleet operating expenses for 1982 declined for the first time in nearly 10 years, according to the annual operating survey conducted by the National Association of Fleet Administrators, Inc.**

**NAFA Exclusive Survey**

More than 50 fleets operating 37,542 passenger cars participated in the annual survey.

The decline in operating expenses of about one cent per mile resulted from the combination of stable fuel costs and sharp improvements in fleet fuel economy. The average miles per gallon for NAFA's "composite" fleet rose from 18.6 in 1981 to 21.8 in 1982.

However, standing expenses (primarily interest and depreciation reserve) continued to increase in 1982, up slightly from 1981 and substantially higher than 1980.

The results of the survey are based on NAFA's Recommended Classification of Automobile Expenses. Under this accounting system, fleet costs are divided into three major categories:

**Operating Expenses:** These costs consist of all expenses directly related to running a vehicle — fuel, oil, tires and tire repair, normal maintenance and repair. These expenses are computed in pennies per mile per car.

**Incidental Expenses:** These costs consist of license and taxes, accident repairs less recoveries, washing, parking, tolls, and miscellaneous expenses. These costs are computed on a dollar per car per month basis.

**Standing Expenses:** These costs consist of investment costs, either interest paid on purchases or leasing company service charges, depreciation reserve, insurance, and selling costs. Deducted from these expenses are depreciated adjustments (if any) when a vehicle is sold. The standing expenses are expressed in dollars per car per month.

Subtracted from the incidental and standing expenses are chargebacks or credits for personal use and optional equipment acquired by the company car operator.

### *Car Size Categories*

The NAFA operating expense report is divided into four car size categories:

**Sub-Compact Cars:** Wheelbase of under 100 inches and a curb weight of less than 2,300 pounds.

**Compact or Small Cars:** Wheelbase between 100 and 106 inches and a curb weight of between 2,300 and 2,799 pounds.

**Mid-Size or Intermediate Cars:** Wheelbase between 106 and 114 inches; curb weight between 2,800 and 3,399 pounds.

**Large Cars:** Wheelbase of more than 114 inches and a curb weight of more than 3,400 pounds.

### Composite Fleet

The largest segment of the survey response fell into the composite fleet group that consists of those fleets reporting total expenses but do not break out the expenses by car size grouping.

The actual composition of the composite fleet in the 1982 survey is two percent sub-compacts; 76 percent small or compact cars; 19 percent mid-size cars, and three percent large cars.

Every car in this group is equipped with air conditioning, power steering, and power brakes. Ninety-eight percent are equipped with automatic transmission. Seventy-one percent of the cars have four-cylinder engines; 25 percent have six-cylinder engines, and three percent have eight-cylinder engines.

These vehicles are kept in service an average of 28.3 months and have been driven an average of 52,487 miles when sold or replaced.

Total operating expenses — fuel, oil, tires and tire repair, normal repair and maintenance — amounted to .0861 cents per mile in 1982, almost one penny per mile less than in 1981. The decrease in operating expenses is the result of the improved

*(Continued on page 20)*

## *Operating Expense Survey*

*(Continued from page 18)*

fuel economy of the fleet — miles per gallon increased from 17.8 in 1981 to 21.1 in 1982.

Incidental expenses in the composite fleet declined slightly to $37.23 per car per month from $39.69 in 1981. Standing expenses, however, continued to increase, reaching an all-time high of $250.01 in 1982, as compared to $234.81 in 1981.

Factors contributing to this continuing increase were higher interest costs, larger sums set aside for depreciation reserve, and higher insurance premiums. A slight offsetting came from a higher depreciation adjustment — up to $23.06 per car per month as compared to $17.56 in 1981.

The average personal use chargeback increased slightly in 1982 for fleets in the composite group. It rose to $42.28 from $41.48 in 1981.

Net expenses for these fleets amounted to $244.96 per car per month. This was an increase of slightly more than $14 per car above the 1981 figure. Net expenses are the total of incidental and standing expenses less credits for personal use and extra equipment.

### Mid-Size Cars

Total operating expenses for mid-size cars (vehicles with a wheelbase of between 106 and 114 inches weighing between 2,800 and 3,399 pounds) were .0920 cents per mile in 1982. This was approximately one-half of a penny less than in 1981 when total operating expenses were .0973 cents per mile.

Most of the decrease came from reduced costs per mile for fuel — .0748 as compared to .0781 in 1981. This was the result of stable gas prices during the year and an increase in fuel economy of nearly one mile per gallon. The average fuel economy in 1982 for the mid-size group was 18.3 miles per gallon, as compared to 17.3 in 1981.

The cars in the mid-size group were kept in service an average of 24.7 months and averaged 49,785 miles when sold or replaced. Every car in the group was equipped with air conditioning, automatic transmission, power steering, and power brakes.

Twelve percent of the vehicles in the mid-size group were equipped with four-cylinder engines; 66 percent had six-cylinder engines, and 22 percent had an eight-cylinder engine.

### Small Cars

Total operating expenses for small or compact cars declined more than one cent a mile, according to the results of the 1982 operating expense survey, as compared to expenses in 1981. Total costs for small cars was .0794 cents per mile in 1982; in 1981 the corresponding figure was .0911. One penny per mile of the decrease came from a drop in fuel costs — from .0725 in 1981 to .0627 in 1982.

Small cars, according to the NAFA vehicle classification, are those vehicles with a wheelbase of

*(Continued on page 22)*

## Operating Expense Comparisons
## Composite Fleets
## 1980 vs. 1982

| | 1980 | 1981 | 1982 |
|---|---|---|---|
| Average miles per month | 1,897 | 1,822 | 1,880 |
| **OPERATING EXPENSES** | | | |
| (cents cost per car per mile) | | | |
| Fuel | .0715 | .0745 | .0643 |
| Oil | .0012 | .0012 | .0011 |
| Tires & Tire Repair | .0066 | .0059 | .0057 |
| Repair & Maintenance | .0132 | .0142 | .0150 |
| Total Operating Expenses | .0925 | .0958 | .0861 |
| **INCIDENTAL EXPENSES** | | | |
| (dollar cost per car per month) | | | |
| License & Taxes | $9.07 | $6.23 | $8.63 |
| Accident Repairs — Recoveries | 8.90 | 8.65 | 7.39 |
| Washing | 3.24 | 5.04 | 6.14 |
| Parking & Tolls | 11.50 | 16.48 | 12.09 |
| Miscellaneous | 1.23 | 3.29 | 2.98 |
| Total Incidental Expenses | $33.94 | $39.69 | $37.23 |
| **STANDING EXPENSES** | | | |
| (dollar cost per car per month) | | | |
| Leasing service charge or interest | $ 51.46 | $ 74.86 | $ 76.38 |
| Depreciation Reserve | 120.95 | 154.89 | 161.37 |
| Depreciation Adjustment | -16.91 | -17.56 | -23.06 |
| Selling Expenses | — | 1.35 | 11.38 |
| Insurance | 19.16 | 21.27 | 23.94 |
| Total Standing Expenses | $174.66 | $234.81 | $250.01 |
| **CREDITS** | | | |
| (dollar return per car per month) | | | |
| Personal Use Credit | $23.64 | $41.48 | $42.28 |
| **NET EXPENSES** | | | |
| (Incidental Expenses plus Standing Expense less Credits) | $183.07 | $230.87 | $244.96 |

## *Operating Expense Survey*

*(Continued from page 20)*

between 100 and 106 inches and a curb weight of between 2,300 and 2,799 pounds.

The basic reason for the decrease in fuel expense came from a sharp increase in fuel economy. Average miles per gallon rose from 18.6 in 1981 to 21.8 in 1982.

The fleets participating in the survey operating small cars reported their vehicles were kept in service an average of 24.2 months and averaged 52,895 miles when sold or replaced.

Sixty-two percent of the cars in the group were equipped with four-cylinder engines; 38 percent had six-cylinder engines.

Every car in the small fleet group was equipped with air conditioning, power steering, and power brakes. Ninety-eight percent were equipped with automatic transmission.

### Canada

Response to the 1982 survey included a group of Canadian fleets operating enough vehicles to compile usable figures on their operating expenses. The Canadian fleets consisted of six percent subcompact cars; 69 percent compact or small cars; 20 percent mid-size cars, and five percent large cars.

Total operating expenses for this group of vehicles was .1040 cents per mile. The cars were driven an average of 1,668 miles per month. The Canadian fleet cars averaged 32.9 months in service and were driven an average of 67,571 miles before replacement.

### Operating Expenses Canada

| | |
|---|---|
| Average miles per month | 1,668 |
| Fuel | .0788 |
| Oil | .0012 |
| Tires & Tire Repair | .0045 |
| Repair & Maintenance | .0195 |
| Total Operating Expense | .1040 |
| Average price per gallon of fuel | $1.72 |
| Average miles per gallon | 21.8 |

The higher expenses for Canadian fleet cars, as compared to the United States vehicles came from two categories — fuel and repair and maintenance. Fuel costs, computed on a price of $1.72 per gallon, amounted to .0788 cents per mile. Maintenance costs were .0195 cents a mile. Expenses for oil and tires and tire repair were comparable to expenses for U.S. fleet vehicles.

Based on the gasoline price of $1.72 per gallon (an average of 45.6 cents per liter) the Canadian cars average 21.8 miles per gallon, higher than the miles per gallon figure of any United States group of vehicles.

There was insufficient data to compile accurate operating expense statistics for sub-compact or large cars. ■

### Operating Expense Comparisons 1980 vs. 1982

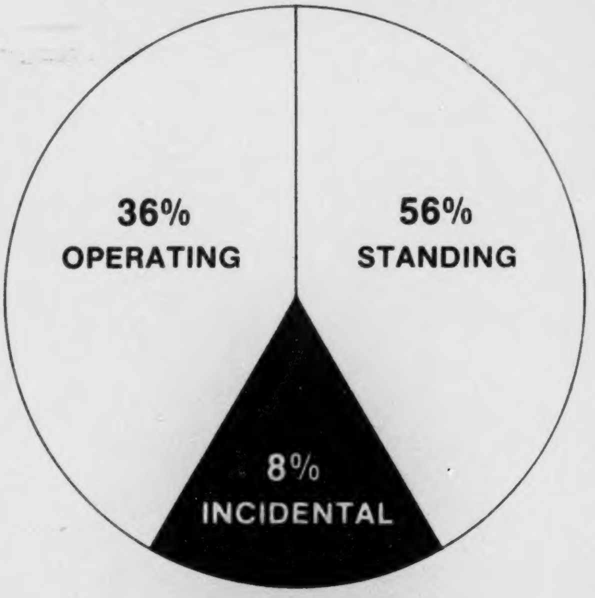
**Small Cars**

| | 1980 | 1981 | 1982 |
|---|---|---|---|
| Average miles per month | 1,630 | 1,794 | 2.339 |
| Fuel | .0695 | .0725 | .0627 |
| Oil | .0010 | .0011 | .0015 |
| Tires & Tire Repair | .0074 | .0052 | .0040 |
| Repair & Maintenance | .0144 | .0123 | .0112 |
| Total Operating Expense | .0923 | .0911 | .0794 |
| Average price per gallon of fuel | $1.21 | $1.35 | $1.36 |
| Average miles per gallon | 17.4 | 18.6 | 21.8 |

**Mid-Size Cars**

| | 1980 | 1981 | 1982 |
|---|---|---|---|
| Average miles per month | 1,929 | 1,799 | 2.027 |
| Fuel | .0725 | .0781 | .0748 |
| Oil | .0011 | .0010 | .0014 |
| Tires & Tire Repair | .0066 | .0064 | .0053 |
| Repair & Maintenance | .0120 | .0118 | .0105 |
| Total Operating Expense | .0922 | .0973 | .0920 |
| Average price per gallon of fuel | $1.21 | $1.35 | $1.36 |
| Average miles per gallon | 16.7 | 17.3 | 18.2 |

### COMPOSITE FLEET BREAKDOWN OF EXPENSES



**Does Not Reflect Personal Use or Equipment Credits**

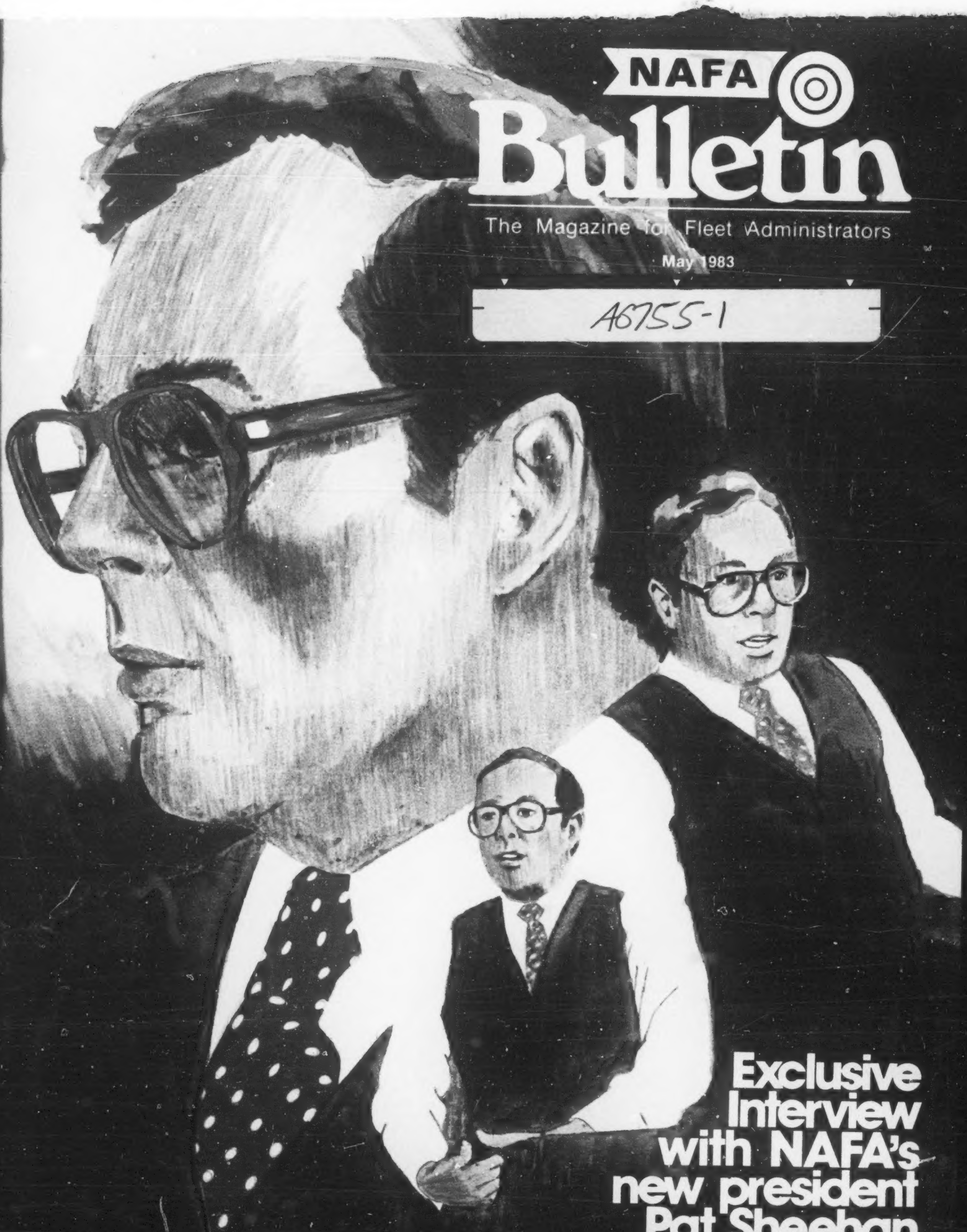
NAFA

# Bulletin

The Magazine for Fleet Administrators

May 1983

A6755-1



## Exclusive Interview with NAFA's new president Pat Sheehan

## news highlights

# New NAFA Program for You: Advanced Fleet Management

One of the new educational programs being offered by NAFA this year is "Advanced Fleet Management." This two-day course will instruct fleet managers on modern management concepts, effective communications, managing in a regulated environment and budgets.

The session on "Modern Management Concepts" will be presented by Manuel London, Ph.D., district manager of Basic Human Resources Research for AT&T. Dr. London will lead a lively session using a case study as basis for discussion of subordinates' abilities, performance, motivation and appropriate management strategies under various conditions. He will demonstrate the need for top management to understand such characteristics, as self-esteem and risk taking in their subordinates as well as in themselves. These characteristics will be linked to valuable management strategies — specifically job design, goal setting, performance appraisal, feedback and reinforcement.

Barry M. Mitnick, associate professor of Business Administration with the University of Pittsburgh's Graduate School of Business, will present the session on "Managing in a Regulated Environment." Professor Mitnick will examine the proper organization and management of a small department and guide fleet managers on making crucial decisions regarding departmental environments.

The session on budgets, one of the major means of controlling and coordinating an organization's activities, will be presented by Corporate Fleet Manager Gordon West with Pfizer, Inc. In his discussion, West will talk about the basic financial characteristics of the lease agreement and then develop a budget for a hypothetical 1000-car 1983 fleet. He will discuss the four key ingredients -- depreciation, interest rate, rental fees, investment tax credits — that form the financial ground rules of a contract or lease.

### Dates and Locations

- May 17, 18
  Sheraton at
  Station Square
  Pittsburgh, PA
- July 11, 12
  Little America
  Salt Lake City, UT
- September 19, 20
  New York Hilton
  New York, NY
- November 14, 15
  Sheraton Center
  Charlotte, NC

The course will begin at 8:30 a.m. on the first morning and will adjourn at 4:00 p.m. on the second day. The fee is only $220.00. If you are interested in registering for the course, contact NAFA at 295 Madison Ave., New York, NY 10017 or call (212) 689-3200.

*Cover: Illustrated by Cindi Samol*

NAFA Bulletin
Official Monthly Publication of The National Association of Fleet Administrators, Inc.
295 Madison Avenue, New York, N.Y. 10017 Telephone: 212-689-3200

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**Director of Publications**
LYNNE WARSHAVSKY

**Editorial Assistant**
JOY ALTER

**Legal Counsel**
WILLARD H. DaSILVA

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### MAY 1983

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One of the new educational programs NAFA is offering this year.

**Safety** ........................ 4
Although traffic fatalities are dropping nationally, nighttime motor vehicle deaths are on the upswing, according to HUF.

**Interview with Pat Sheehan** ....................... 6
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**National Energy Policy** ......... 12
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**Canadian Survey** ............... 18
Paul Hubbard, manager, Administrative Services Marketing, Imperial Tobacco Limited, conducted a survey of Canadian companies. This article is based on the information gathered by him.

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## Canadian Survey Reveals:

# What Fleets Are Doing To Control Rising Costs

*Paul Hubbard, manager, Administrative Services Marketing with Imperial Tobacco Limited, and newly elected NAFA Vice President for Canada, conducted a survey of Canadian companies.*

*The questionnaire was sent to 183 organizations, none of which were government agencies or government controlled. One hundred ten or 60% of the firms responded to the survey.*

*The following article is based on the information gathered by Hubbard. The responses to the questions are divided into three categories: 1) General Background 2) Personal Use Policies and 3) Safety. The answers represent only those vehicles operated by sales representatives.*

### General Background

Of the 110 respondents, 87 or 79% were male and 23 or 21% were female. The survey reveals that job titles among fleet professionals in Canada vary widely. Twenty-three hold the title of 'Fleet Administrator,' ten hold the title 'Fleet Manager,' nine are titled 'Manager Administrative Services,' four are 'Sales Administration Managers,' four are 'Corporate Purchasing Managers' and four are titled 'Buyers.' Other titles mentioned were:

- Traffic Manager
- Distribution Manager
- Office Manager
- Administrative Assistant
- Fleet Coordinator
- Manager of Operations
- Marketing Services Manager

When asked what percentage of time was spent on fleet management, 17 said they spent 100% of their time on fleet management; 27 spent between 50-90% of their time on this aspect of their job and 63 spent 40% and under on fleet management.

The majority of Canadian fleets have fewer than 250 vehicles; 17 have between 251-500 vehicles in their fleet and only six have more than 501 vehicles. Seventeen respondents said their fleet was company-owned; eight said they have a net lease, 68 said they use finance leasing, four said they use maintenance leasing and 13 use a combination of leases.

Downsizing has been a trend in the United States over the last few years and this trend is also evident among the Canadians. According to the survey, 83 respondents reported that they have downsized in the past year. The vehicles operated by this group were the following: 73 have 4-cylinders, 103 have 6-cylinders; 65 have 8-cylinders and nine have diesels in the fleet.

The survey asks, "What do fleet managers do if an employee is transferred or reassigned and no longer qualifies for a company car?" Twenty-five percent of the respondents said they adjust the salary; 15% said they make a one-time adjustment; 49% offer to sell the car to the employee; nine percent make no adjustment and three percent use other methods.

### Personal Use Policies

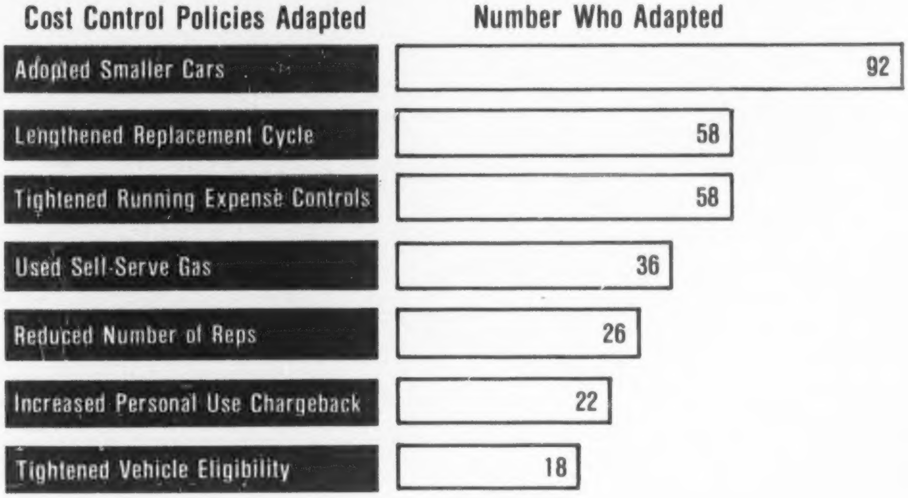
According to the fleet managers responding to the Canadian survey, 108 permit personal use of the company-provided car, however, eleven fleets place restrictions on such use. Five fleets in the group allow only the wife to drive the car; three allow both the wife and children to drive; one requests that the employee buy extra insurance; one limits the employee to a mileage of 8,000 kilometers per year and one limits the driver to 320 kilometers per week.

Seventy-five fleets reported that they charge employees for personal use of the company car, while 35 said they did not have a personal use charge. Of the 75 fleets directly charging for personal use, 49% employ a monthly chargeback which ranged from a low of $12 to a high of $100

*(Continued on page 20)*

## Controlling Rising Costs

**Policies adopted by the Canadians over the past two years to control rising costs were:**



## Canadian Survey

*(Continued from page 18)*

per month. Twenty-one percent said they have a chargeback based on cents per kilometer, which ranged from a low of 4.5 cents to a high of 11.4 cents. Sixteen percent said they charge based on gas expenses only and eight percent said the charges were based on dollars per week, which ranged from $5.50 to $20.00.

The most common reimbursement rate fleets pay for use of personal cars during business was 20 cents per mile, while 12 said they pay 19 cents per mile and eight said they pay 21 cents per mile. The rates for reimbursement went from as low as 14.4 cents a mile to as high as 28 cents a mile. Ninety-six fleets said they have increased this rate in the last two years.

According to Hubbard's survey, the Canadian reimbursement rates are the same as the U.S. reimbursement rates, as revealed by NAFA's 1982 personal use survey (published in the January 1983 issue of ***NAFA Bulletin***.) According to the NAFA survey, more than two-thirds of all U.S. fleets set their reimbursement rates for use of personal cars at 20 cents a mile, as do the Canadian fleets.

### Safety

The Canadian survey reveals that only 35 fleets have a formal safe driving program and as many as 75 fleets do not. This indicates that not enough fleet managers are enforcing a safety program within their companies. However, almost every respondent claims to review an applicant's driving skills before employment. Forty-one said they check the driver's record; 51 said they give the applicant a physical examination and three administer a road test.

Eighty-six respondents maintain accident statistics while 22 do not. Only 17 said they have a driver incentive program for safe driving and 90 said they do not. In response to the question, "Do you have an accident review board?" 67 said no, 37 said yes.

If another person was driving the company car during an accident, 66 said that the operator would be charged with the responsibility for the accident. Thirty-six said the operator would not be charged.

> ***"The most common reimbursement rate fleets pay for use of personal cars during business was 20 cents per mile..."***

If drivers are involved in alcohol/drug related accidents or traffic violations, 51 respondents stated that the driver would be penalized. Penalties imposed on the employee are the following: possible termination (20); review the drivers on merit (11); employee payment of a deductible fee (9); confiscation of the vehicle (2); temporary suspension (1) and payment of all fines (1).

In Canada, the use of seat belts is mandatory. According to the survey, 86% of the respondents are in favor of this legislation. ■

# Tax and Fee Rates In 1982 Highway Act

*The April 1983 issue of NAFA Bulletin carried a detailed description of the five Titles or sections of the Surface Transportation Assistance Act of 1982. While the most publicized portion of the Act was the five cent a gallon increase in gasoline and diesel fuel taxes, the Act included many other taxes and fees. Some of these were increased, others decreased, and some eliminated completely. The table below lists all the user fees and taxes affected by the 1982 legislation. This information was provided to NAFA by the Highway Users Federation.*

**COMPARISON OF CURRENT AND NEW USER FEE STRUCTURES**

| User Fee Type | Current Rate | New Rate | Effective Date |
|---|---|---|---|
| Gasoline | 4c gallon | 9c gallon | April 1, 1983 |
| Diesel | 4c gallon | 9c gallon | April 1, 1983 |
| Gasohol | 0 | 4c gallon | April 1, 1983 |
| Tires | 9.75c lb., all tires | No tax for tires 40 lbs. and under.<br>Tires 40-70 lbs. 15c lb. over 40 lbs.<br>Tires 70-90 lbs. $4.50 plus 30c lb. over 70 lbs.<br>Tires 90 lbs. and over $10.50 plus 50c lb. over 90 lbs. | January 1, 1984 |
| Tread Rubber | 5c lb. | 0 | January 1, 1984 |
| Inner Tubes | 10c lb. | 0 | January 1, 1984 |
| Lubricating Oil | 6c gallon | 0 | January 6, 1983 |
| Truck Parts | 8 percent, all trucks | 0 | January 7, 1983 |
| Truck Sales | 10 percent for trucks 10,000 lbs. GVW | 12 percent on truck chassis and bodies over 33,000 lbs. GVW, and 26,000 lbs. for truck trailer and semi-trailer chassis and bodies. | April 1, 1983 |
| Heavy Vehicle Use Fee | $3 1000 lbs. GVW for trucks 26,000 lbs. GVW | At least 33,000 lbs. but less than 55,000 lbs. GVW $50 per year, plus $25 for each 1,000 lbs. or fraction thereof in excess of 33,000 lbs.<br>At least 55,000 lbs. but less than 80,000 lbs. GVW $600 per year, plus the applicable rate for each 1,000 lbs. or fraction thereof in excess of 55,000 lbs.<br>80,000 lbs. and over, the maximum amount. | July 1, 1984[1] |

**Rate and Maximum Amount**

| Beginning July 1 | Applicable Rate | Maximum Amount |
|---|---|---|
| 1984 | $40 | $1,600 |
| 1985 | $40 | $1,600 |
| 1986 | $44 | $1,700 |
| 1987 | $48 | $1,800 |
| 1988 and thereafter | $52 | $1,900 |

[1] The effective date for small owner-operator truck fleets (5 vehicles or less) is one year later.

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NAFA

# Bulletin

The Magazine for Fleet Administrators

June 1983

## CONFERENCE HIGHLIGHTS

PHOTO REPORT... see page 10

# news highlights

## Tour of GM Proving Ground Highlights NAFA's Law Enforcement Seminar in Flint

NAFA's 15th Annual Law Enforcement Seminar/Workshop on Police Vehicle Specifications and Performance sponsored by the National Association of Fleet Administrators' Law Enforcement Group will be held August 7-11, 1983 at the Hyatt Regency Hotel in Flint, Michigan.

The program will feature presentations by the automobile and motorcycle manufacturers giving full specifications of the police vehicles and motorcycles they will be offering in the model year. It also provides an opportunity for fleet managers to question manufacturers' service representatives at the service workshops held during the seminar.

One of the program highlights will be a tour of the General Motors Proving Ground in Milford, Michigan sponsored by Chevrolet Division. At the Proving Ground you will see demonstrations of cars being put through extreme maneuvers on the test track; how the vehicles are assembled, and the procedures GM must go through to comply with EPA's vehicle emission standards.

Other highlights of the seminar/workshop include presentations on repairing front-wheel drive cars, an update on the energy situation, safety, communications, and light bars. There will also be special agency workshops and a police fleet information fair. For further information call NAFA at (212) 689-3200.

### *Roster Address Correction*

The address for John Lovato, regional sales manager, Associates Leasing, Inc., was printed incorrectly in NAFA's 1983 Roster of Members and Affiliates. John, who is one of the Association's founding members, is a New Jersey Affiliate and can be reached at the following address: Associates Leasing, Inc., 871 Mountain Ave., Springfield, New Jersey 07081. Phone: 201-376-6161.

We would also like to bring to your attention an error that appears on page 167 of the Roster, at the beginning of the affiliates listing by company. Associates Leasing, Inc., was inadvertently omitted. The people to contact at Associates are David D. Babcock, John E. Cain, Joseph J. Linden, Lou Pusey and, of course, John Lovato.

We are grateful for the support Associates Leasing, Inc., has given the Association and deeply regret these two errors.

*Cover: Illustrated by Cindi Samol*

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# State Motor Fuel Tax Rates

Eight states have legislated motor fuel tax increases already in 1983 and 17 other states currently have such legislation pending, according to the Highway Users Federation.

The following table lists the state motor fuels taxes effective as of May 1, 1983.

| | Gasoline | Diesel | Gasohol |
|---|---|---|---|
| Alabama | 11¢ | 12¢ | 8¢ |
| Alaska | 8 | 8 | 0 |
| Arizona | 10 | 10 | 10 |
| Arkansas | 9.5 | 10.5 | 0 |
| California | 9 | 9 | 9 |
| Colorado | 9 | 9 | 4 |
| Connecticut | 11 | 11 | 10 |
| Delaware | 11 | 11 | 11 |
| D.C. | *14 | 14 | 14 |
| †Florida | *9.7 | 9.7 | 3 |
| Georgia | 7.5 | 7.5 | 7.5 |
| Hawaii | 8.5 | 8.5 | 8.5 |
| Idaho | 14.5 | 14.5 | 10.5 |
| Illinois | 7.5 | 7.5 | 7.5 |
| Indiana | *11.1 | 11.1 | 11.1 |
| Iowa | 13 | 15.5 | 8 |
| Kansas | 8 | 10 | 6 |
| Kentucky | *10 | 10 | 6.5 |
| Louisiana | 8 | 8 | 0 |
| †Maine | 14 | 14 | 14 |
| Maryland | 11 | 11 | 11 |
| †Massachusetts | *11 | 11 | 11 |
| Michigan | *13 | 13 | 9 |
| Minnesota | 16 | 13 | 16 |
| Mississippi | 9 | 10 | 9 |
| Missouri | 7 | 7 | 7 |
| Montana | 9 | 11 | 2 |
| Nebraska | *13.7 | 13.7 | 8.7 |
| Nevada | 12 | 12 | 11 |
| New Hampshire | 14 | 14 | 9 |
| New Jersey | 8 | 8 | 8 |
| New Mexico | *10 | 10 | 0 |
| New York | 8 | 10 | 8 |
| North Carolina | 12.25 | 12.25 | 10.25 |
| North Dakota | 8 | 8 | 4 |
| Ohio | *12 | 12 | 8.5 |
| Oklahoma | 6.58 | 6.5 | 6.58 |
| Oregon | 8 | 8 | 8 |
| Pennsylvania | 11 | 11 | 11 |
| †Rhode Island | *13 | 13 | 13 |
| South Carolina | 13 | 13 | 13 |
| South Dakota | 13 | 13 | 9 |
| Tennessee | 10 | 13 | 6 |
| Texas | 5 | 6.5 | 0 |
| Utah | 11 | 11 | 6 |
| Vermont | 13 | 14 | 13 |
| Virginia | *14 | 14 | 6 |
| Washington | *12 | 12 | 10.8 |
| †West Virginia | *15.35 | 15.35 | 15.35 |
| Wisconsin | 13 | 13 | 13 |
| Wyoming | 8 | 0 | 4 |

†Legislative action in 1983 on gasoline or diesel taxes.

*Variable tax rate expressed in cents-per-gallon.

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# NAFA Bulletin

The Magazine for Fleet Administrators

**August 1983**

TRUCK
SPECIFICATIONS

## news highlights

# Treasury Claims TRAC Clause Leases Are Conditional Sales

***The July issue of NAFA Bulletin carried an article on the status of open-end leases based on a leasing company's point of view. The Treasury Department's position was stated by Jackie S. Levinson, deputy tax legislature counsel, in testimony before the Subcommittee on Taxation and Debt Management of the U.S. Senate's Finance Committee. This is the text of the Treasury Department's statement.***

There are two basic types of motor vehicle operating agreements — "closed end" and "open end." In a typical open-end agreement, a provider of vehicles, for example, an automobile dealership, agrees to acquire certain makes and models of vehicles for use by its customer. The agreement generally will have a term of 24 to 36 months. Under the agreement, the customer performs all necessary maintenance and repairs to the vehicle and pays the dealer a monthly charge sufficient to cover the expected economic depreciation on the vehicle, insurance in favor of the dealer, license and registration fees, sales taxes, and any other miscellaneous costs imposed upon the owner of the vehicle. An open-end agreement also will contain a provision known as a "terminal rental adjustment."

A terminal rental adjustment clause (TRAC clause) in the usual case will provide that upon the normal termination of the agreement, the vehicle subject to the agreement is to be sold (or offered for sale) to a third party. If the proceeds from this sale are less than an estimate of the value of the vehicle as stipulated in the agreement (which is generally the projected "blue book" value of the vehicle on the termination date of the agreement), the customer is obligated to pay the difference to the dealer. If the sale proceeds equal the stipulated value, no further payment is due. Finally, the agreement will provide either that the dealer will retain any excess of the sale proceeds over the stipulated value or that the dealer must remit the excess to its customer, directly with a cash refund or indirectly by crediting the customer's payments under a new agreement.

A closed-end agreement differs from an open-end agreement in one important respect. Unlike an open-end agreement, closed-end agreements do not contain TRAC clauses. Thus, the dealer under a closed-end agreement bears the risk that the value of the vehicle at the nor-

(Continued on page 4)

*Cover: Illustrated by Cindi Samol*

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AUGUST 1983

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Jackie S. Levinson, Deputy Tax Legislative Counsel, explains the government's opposition to the TRAC clause in open-end leases.

**Know Your Options** ............ 5
In this article on truck specifications, learn how to 'build' the truck you need, option by option.

**Do-It-Yourself Car Checks** .................... 11
Help your drivers conduct a weekly car inspection with these handy guidelines.

**Driver Walk-Around Inspection Form** ............... 13
This easy-to-follow form can be removed from this issue, duplicated, and distributed to your drivers.

**Leasing Company Recommendations** ............. 16
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In this interview with NAFA Trustee Ken Austin, we are treated to a glimpse of Canadian fleet operations, and how they compare to those in the U.S.

**Board of Governors Meeting** .... 34
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## Canada's Ken Austin:

# Our Costs May Vary; But Our Policies Do Not

*The difference in operating a Canadian fleet, as compared to a U.S. fleet, is explored in the following interview with NAFA Trustee Ken Austin, fleet manager of G.D. Searle & Co. of Canada, Ltd. Our conversation is based, in part, on Austin's presentation, "Canadian Operations," which was given at NAFA's 1983 annual conference in Detroit. Austin discusses how Canada's governmental policies and demographics produce those higher operating expenses that must be grappled with when developing cost-efficient budgets and programs.*

**NAFA: What is the most significant difference between a U.S. and a Canadian fleet?**
**AUSTIN:** The primary difference comes down to cost. The average Canadian fleet car has a higher purchase price and costs a little more to operate than its U.S. counterpart. Other than that, there are very few substantial differences. Most fleets, whether they're Canadian or American, operate according to the same set of rules.

**NAFA: Can you specify what those higher costs are and explain why they are higher?**
**AUSTIN:** Fuel is more costly. This is a result of our government's special oil-pricing strategy. Several years ago our government signed an agreement with its oil-producing provinces to gradually increase, on a 6-month basis, the price of their oil, until it met 75% of the world oil benchmark price. However, since reaching that standard, world oil prices have dropped. Consequently, Canadian prices now exceed 75% of world prices. Unfortunately, our government has made no provision to proportionally lower its price. The best we can hope for, at least for the time being, is protection from further increases.

To offer some relief from mounting fuel costs, our government provides a 7¢ per gallon tax rebate on gasoline used for business purposes.

Another factor that contributes to higher costs is poor fuel efficiency. Canadian drivers, on the average, get fewer miles to the gallon of gas than U.S. drivers. This is due to our country's notoriously harsh winters, which produce unfavorable road and driving conditions, thereby lessening fuel efficiency. While U.S. drivers average 6.74 cents-per-mile, Canadian vehicles operate at 9.40 cents-per-mile.

In Canada, a business car is treated as an employee benefit, rather than a straight-forward business necessity, and the Canadian government taxes us for this 'benefit.' On a yearly basis, it costs about $750 in additional government taxes, added to a $285 fee, paid to the company, for use of the car. This sum translates into a $1035 per year, or $20 a week — a sum that encourages drivers to take full advantage of the car as a fringe benefit.

**NAFA: Can you go into detail as to how standing expenses, including vehicle acquisition, maintenance, and taxes, vary between our two countries?**
**AUSTIN:** The average cost of a new car is approximately 10% higher than in the U.S., due to high federal import taxes levied by the government. The effects of these taxes, however, are partially minimized by the fact that Canadian fleets have fewer air-conditioned cars. Ninety-eight percent of U.S. fleet cars are equipped with air conditioning, as compared to only 70% of the Canadian fleet. Vehicles without air conditioning are $935 cheaper, which adds up to a substantial savings for Canadian fleets.

Prime rates in Canada are similarly higher; typically, by 2%. Higher prime rates and a higher vehicle purchase price consequently raise the depreciation rates. The chart (on page 32), which I have supplied for the purposes of my presentation, breaks down the depreciation rates of an average U.S. and an average Canadian car. If you work the initial cost down to a monthly payment basis, you will find that the Canadian fleet owner pays $137.94 per month, as compared to the U.S. fleet owner, who pays an average of $126.59.

Maintenance and repair is another category in which costs differ. Canadian fleet owners pay about $13.00 more per month, on the average. Again, this is due to Canada's harsher climate.

License and taxes are about $10 more per month in Canada. Local tax rates vary from province to province, averaging out to an overall 8% rate. The U.S. local tax rate runs about 1.5% less, amounting the the $10 difference.

**NAFA: Can you summarize how the various fleet expenditures in Canada and the U.S. affect the financial bottom line?**
**AUSTIN:** The bottom line is expressed in the chart provided in my presentation, in a cost per month sum. (See chart on page 32.) The total sums, provided by PH&H, amounts to $434.24 for the U.S. and $549.08 for Canada. Because of the cur-

rency exchange difference, we've had to multiply the Canadian figure by a factor of 81%. This brings the sum into U.S. currency terms. The final difference then is $434.24 for the U.S. and $444.74 for Canada, or a monthly difference of $10.50.

The final outcome is not as drastic as I had anticipated when I started this comparison procedure. Despite our higher costs for fuel, acquisition, maintenance, license and taxes, Canadian fleet costs do not exceed those of the U.S. substantially. Part of the reason for this is that Canadians have managed a few 'saving graces' — particularly in the area of disposal and life cycling. On the average, a Canadian fleet car remains in service for 2 months longer than the typical U.S. fleet car. This produces some savings. But what really helps keep costs under control is the car's high resale value at trade-in time. There is a heavy demand in Canada for high-quality used cars, which tend to bring in good prices.

Another important difference between U.S. and Canadian disposal practices is that 77% of the Canadian fleet cars are sold to company employees. The U.S. sells only 20% of its fleet through this method. The balance goes through auctions — a procedure which is more costly to the fleet owner because there is another party taking a few dollars off the top.

**NAFA: Your company in particular, Ken, is American-based even though your division is in Canada. Does your American counterpart in any way affect the way you run your fleet in Canada?**
**AUSTIN:** Not at all. In Canada our fleet is run independent of G.D. Searle's fleet practices in the U.S.

**NAFA: How long have you been with G.D. Searle, and how long have you been their fleet manager?**
**AUSTIN:** I've been with the company for about 12 years now, but have had this particular position for about 7 or 8 years. Actually, fleet management only accounts for about 30-35% of my job responsibilities. My other job functions entail the company's insurance program, which not only includes the insurance for cars in the fleet, but product liability, casualty, and property insurance as well. In addition, I am also in charge of office services, which includes equipment, mail service, cafeteria, janitorial services, and grounds and building maintenance. I review G.D. Searle's needs in those areas, and procure those services. Then I follow up in a liaison capacity to make certain that all of those services are being maintained and carried out effectively.

**NAFA: What do you enjoy most about your job?**
**AUSTIN:** I would say the diversity. You never know what you will be doing the following day. Often, the morning's mail will decide how you spend your time for the rest of the day.

**NAFA: Can you talk about the size and type of fleet you have?**
**AUSTIN:** My fleet is made up of about 90 cars, all open-end leased. The fleet consists mainly of cars used by our pharmaceutical sales force, in addition to 12 management vehicles.

**NAFA: What are the particular needs of a pharmaceutical fleet, and how do those needs affect your acquisition policies?**
**AUSTIN:** Because our salespeople are in contact with hospital professionals, we try to give them a high profile by offering top-of-the-line rather than a bottom- or middle-line car. My other main consideration is to give them a car with a good, sturdy trunk that is both roomy and hard to break into. Since we are dealing with drug samples I want to provide maximum security. I've always stressed to our sales people to avoid attracting attention, and to keep drug samples well concealed. This awareness is part of our safety program, and has resulted in a very low theft rate.

**NAFA: Ken, have your drivers resisted downsizing?**
**AUSTIN:** To a degree, yes, because there is still a good deal of large-family thinking, which dictates the need for a car that is large and safe. But once our drivers were on the road with the 4-cylinders, they admitted that these cars weren't so bad. We've even supplied the small cars with air-conditioning, free of charge to the drivers, as a way to coax them into accepting the transition to 4-cylinders. (In the past we used to share the expense of air conditioning with our drivers.)

It seems that the downsizing trend in Canada is here to stay. We are still about one year behind the U.S. fleets in this long-overdue transition, but it is finally coming about because of our need to save money on gas. Another plus in buying small cars is that they sell at very attractive prices in Canada. This is because U.S. automakers are anxious to

*(Continued on page 34)*

# COMPOSITE FLEET PERFORMANCE REPORT
## for the year ending December, 1982

| | **U.S.A.** | **CANADA** |
|---|---|---|
| Original Cost of Cars in Service | 8,017 | 8,846 |
| **Monthly Mileage Rate** | **Per Car Month** | **Per Car Month** |
| Business | 1,858 | 1,524 |
| Personal | 321 | 384 |
| Total | 2,179 | 1,908 |

| | U.S.A. | | CANADA | |
|---|---|---|---|---|
| **Running Expenses** | **Per Car Month** | **Cents Per Mile** | **Per Car Month** | **Cents Per Mile** |
| Gasoline | 146.92 | 6.74 | 179.30 | 9.40 |
| Oil | 2.47 | .11 | 2.51 | .13 |
| Maintenance (Expenses) | 31.89 | 1.46 | 45.22 | 2.37 |
| & Repairs (Warranty Recovery) | (.36) | (.02) | — | — |
| Tire & Tire Repairs | 13.05 | .60 | 10.02 | .52 |
| Total Running Expenses | 193.97 | 8.89 | 237.05 | 12.42 |
| **Standing Expenses** | | | | |
| Interest & Service Fees | 81.65 | 3.75 | 98.78 | 5.18 |
| Provision for Depreciation | 165.19 | 7.58 | 195.75 | 10.26 |
| Dep. Adjustment — Cars Sold | (19.09) | (.87) | (33.37) | (1.75) |
| Manufacturers' Allowances | (.04) | .00 | — | — |
| License & Taxes | 12.75 | .59 | 23.15 | 1.21 |
| Insurance | 21.85 | 1.00 | 25.23 | 1.32 |
| Accident & (Expense) | 12.43 | .57 | 6.06 | .32 |
| Theft Loss (Recovery) | (2.34) | (.11) | (.67) | (.04) |
| Miscellaneous | .97 | .04 | 1.11 | .06 |
| Total Standing Expenses | 273.37 | 12.55 | 316.04 | 16.56 |
| **Incidental Expenses** | | | | |
| Parking & Storage | 9.85 | .45 | 11.12 | .58 |
| Washing | 6.26 | .29 | 5.98 | .31 |
| Tolls | 4.08 | .19 | 1.64 | .09 |
| Total Incidental Expenses | 20.19 | .93 | 18.74 | .98 |
| **Total Expenses** | 487.53 | 22.37 | 571.83 | 29.96 |
| Less Personal Use Credit | (52.99) | (2.43) | (21.53) | (1.13) |
| Less Extra Equipment Credit | (.30) | (.01) | (1.22) | (.06) |
| Total Cost to Company | 434.24 | 19.93 | 549.08 | 28.77 |

| | U.S.A. | CANADA |
|---|---|---|
| **Analysis of Gas & Oil** | | |
| Cost Per Gallon Gasoline | 132.4 | 201.8 |
| Miles Per Gallon Gasoline | 19.6 | 21.5 |
| Cost Per Quart Oil | 166.0 | 215.0 |
| Miles Per Quart Oil | 1,463 | 1,631 |
| **Depreciation Analysis** | **Average Per Car Sold** | **Average Per Car Sold** |
| Months in Service | 26.7 | 29.1 |
| Original Purchase Cost | 7,057 | 7,592 |
| Net Resale Price | 3,677 | 3,578 |
| Total Depreciation | 3,380 | 4,014 |
| Depreciation Rates $ Per Month | 126.59 | 137.94 |
| Depreciation Rates % Per Month | 1.79 | 1.82 |

Figures in this chart reflect Canadian costs in Canadian dollars and U.S. costs in U.S. dollars. Canadian dollars are worth 20% less than U.S. dollars.

# Board Approves New Budget; No Dues Increase in 1984

NAFA's Board of Governors made a number of important decisions at its regular quarterly meeting in Chicago last month.

Among the actions taken by the Board were:

- Approval of the Association's 1984 budget with no increase in dues and fees for members and affiliates.
- Approval of a five year "weaning" grant for the NAFA Foundation which will put the Foundation on a firm financial base while allowing for a substantial increase in the Association's reserve funds.
- Approval of a tentative program for the 1984 annual conference that will provide three full days of seminars and workshops while offering a new format designed to have each day's activities focus on a specific aspect of fleet management.
- Continuation of the Association's commitment to educational training programs in various sections of the country.

In the proposed 1984 budget, the Association is projecting receipts from all sources of more than $630,000, with expenses of $570,000. It is anticipated that nearly $60,000 will be added to NAFA's reserve funds during the year.

The NAFA Foundation will receive $150,000 in 1984, $125,000 in 1985, $100,000 in 1986, $75,000 in 1987, and $50,000 in 1988.

In presenting his proposed agenda for NAFA's 1984 conference, March 18 through 21 in Los Angeles, General Conference Chairman Bill Gravesmill suggested a new approach to the Association's annual meeting. Each day's program would open with a general session — one on management; one on fleet opertions, and the final session on vehicle management — with all following presentations and workshops related to the day's major subject. In addition, there will be three different sets of workshops — by industry groups, size of fleets, and by specific subjects.

The next scheduled meeting of the Association's Board of Governors will be held on September 20 and 21, 1983, in New York City. At that time the final agenda for the 1984 conference as well as plans for an extensive social program will be submitted to the Board. ■

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## Ken Austin Interview

*(Continued from page 32)*

compete more effectively with Japanese and European sub-compact models.

I find it ironic that now, when Canadians are finally downsizing, the U.S. market is inching its way back into larger cars. If this trend continues, the gap between U.S. and Canadian fleet expenses will narrow even further. Personally speaking, I believe that if people are smart they will continue to downsize in the future.

**NAFA: Now let's talk about your involvement with NAFA. Before you were elected trustee of the association, what had been the extent of your involvement?**

**AUSTIN:** I started out as the arrangements chairman for the Ontario Chapter. After having been in that position for three years I became the chapter's chairman for a 2-year term. During my term as chapter chairman, I served as chairman of the arrangements committee for NAFA's annual conference in Toronto. Last year, I served as the Vice Chairman for the Board of Delegates.

It wasn't until I became a chapter chairman that I really began to appreciate how vital an organization NAFA is. The chance to participate in something so vital is a very special opportunity.

**NAFA: Now that you are trustee, do you have any thoughts on how you would like to contribute the the Association?**

**AUSTIN:** This is the first time in NAFA's history that a Canadian has been elected to serve in this capacity. I hope, as trustee, to steer the organization in the right direction by increasing membership, member involvement, and by improving the quality of our programs. I will also try, along the way, to stimulate more active participation in association activities from each of our regional chapters.

As far as the Canadian Chapters are concerned, our degree of involvement, from East to West, has grown substantially. Now, each member feels that he or she is contributing, and that they are each well-represented. I hope this trend can spread throughout all the chapters of the association, and as trustee, I will work toward that goal in whatever way I can. ■

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## Vehicle Specifications

*(Continued from page 27)*

| Make | Wheelbase | Overall Length | Curb Weight | Standard Engine | Cargo Area |
|---|---|---|---|---|---|
| | | Specialty Cars (continued) | | | |
| Lincoln/Mercury Capri | 100.5 | 179.1 | 2,775 | 4/2.3 | 30.0[1] |
| Lincoln/Mercury Cougar | 104.0 | 197.6 | 3,099 | 6/3.8 | 14.6[2] |
| Nissan 200 SX | 94.5 | 176.2 | 2,603 | 4/2.0 | 19.6 |
| Nissan 280 ZX | 91.3 | 174.0 | 2,796 | 6/2.8 | 15.6 |
| Plymouth Conquest | 95.9 | 173.2 | 2,822 | 4/2.6 | 10.3 |
| Plymouth Turismo | 96.6 | 174.8 | 2,222 | 4/1.6 | 10.7 |
| Pontiac Firebird | 101.0 | 189.8 | 3,074 | 4/2.5 | 30.9[1] |
| Toyota Celica GT Liftback | 98.4 | 176.8 | 2,459 | 4/2.4 | 16.9 |
| Toyota Corolla Sport Lift Back | 94.5 | 168.7 | 2,220 | 4/1.6 | 12.2 |
| Toyota Supra Liftback | 102.9 | 183.5 | 2,974 | 6/2.8 | 13.8 |
| Volkswagen Scirocco | 94.5 | 165.7 | 2,181 | 4/1.8 | 23.7 |

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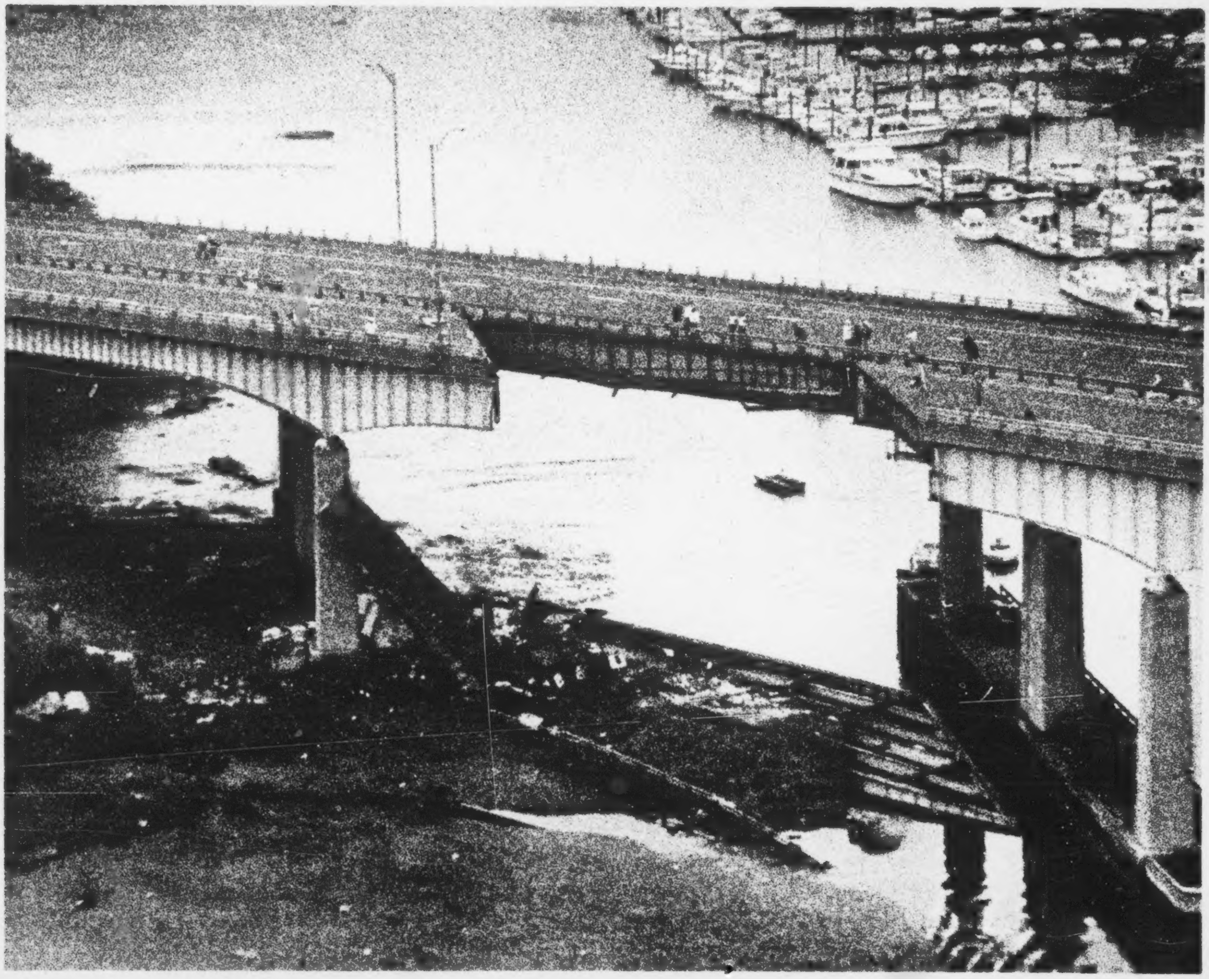
NAFA
# Bulletin
The Magazine for Fleet Administrators
September 1983

NAFA's New Car Survey: Page 6



# how safe are our BRIDGES?

# news highlights

## Federal Agency Fleets Report 1982 Operating Costs Are 18¢ a Mile

The massive Federal domestic agency fleet of more than 62,000 sedans cost nearly 18 cents a mile to operate in fiscal year 1982, according to the latest Federal Motor Vehicle Fleet Report issued in June 1983.

The domestic agency sedans were driven an average of 11,547 miles with an average fuel economy of 18.1 mpg.

In developing its expense reports, the government breaks out automobile expenses into direct operating costs, direct maintenance costs, and indirect costs.

Direct operating costs consists only of fuel. The per mile cost in 1982 was .0939 cents.

Direct maintenance costs include "all maintenance costs for work which can be attributed to specific agency-owned or leased vehicles. The costs include personnel expenses for labor performed on reportable vehicles, commercial maintenance costs, cost of motor oil, lubricants and fluids when direct work orders were issued, replacement parts less pre-expenses, special equipment acquired to meet operating requirements, accident damage repair, and other miscellaneous costs." Direct maintenance costs were .0282 cents per mile.

Indirect costs are defined by the government as "those motor vehicle fleet costs that were not charged to a specific vehicle or vehicle class. These costs include personnel labor costs and material costs not associated with work orders and pre-expenses items (benchstock). This category also includes custodial, office supplies, printing (forms), commercial building rentals, small tools, and equipment, utilities, and facility capital improvements." Indirect costs amounted to .0301 cents per mile.

The Federal fleet report makes this comment about depreciation: "Most agencies do not include depreciation expense as a cost element in their accounting systems since funding to replace motor vehicles is obtained through the appropriation process. However, depreciation is the accounting mechanism whereby the cost of the vehicle itself, as opposed to the cost of its operation, is recognized. This expense may be

**U.S. Domestic Agency Fleet Costs Fiscal Year 1982**

| | |
|---|---|
| Average miles per vehicle per year | 11,547 |
| Average miles per gallon | 18.1 |
| Fuel | .0939 |
| Maintenance | .0282 |
| Depreciation | .0270 |
| Indirect Costs | .0301 |
| Total ........... | .1792 |

(Continued on page 38)

*Cover: Illustrated by Cindi Samol*

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### Good News for Detroit:

# ‘More and Bigger’ Cars for 1984

Members of the National Association of Fleet Administrators, Inc., have good news for Detroit: They will be ordering more cars and bigger cars in the 1984 model year than they did in 1983.

**NAFA Exclusive**

A total of 174 U.S. sales and service fleet managers along with 28 Canadian fleet managers participated in the Association’s annual new car acquisition survery. The 202 fleets currently have a total 115,694 passenger cars. During the 1983 model year these fleets acquired 38,437 new cars. In the 1984 model year they plan to acquire 42,485 new passenger cars.

Below are other highlights of the 1984 new car acquisition survey:

- Orders for compact and sub-compact size cars will account for 58 percent of the new car orders, as compared to 70 percent of the 1983 model year acquisitions.
- Four-door sedans will account for nearly 80 percent of all new car orders.
- Twenty-one fleets are making major changes in the car size they will order in the 1984 model year — 13 are switching to compacts; eight are moving to mid-size models.
- Twenty-two fleets are planning major changes in the engines they use in their new cars. Seventeen are switching to four-cylinder engines; four are changing to V-6’s, and one is ordering V-8’s in its new cars.
- Fifteen fleets are ordering all units with manual transmission on their 1984 new car orders.

### Insurance Group

The Insurance Group is the largest participating segment of the 1984 new car acquisition survey with 40 fleets operating 28,406 cars. Of these units, more than 20,000 are company owned.

Of the 28,406 vehicles currently in the fleets, 648 are sub-compacts; 19,713 are compacts; 6,506 are mid-size, and 1,539 are large cars. During the 1983 model year these fleets acquired 9,489 new cars. In the 1984 model year they plan to acquire 10,325 new cars.

### NAFA Car Categories

**Sub-Compact:** Wheelbase of less than 99 inches and a curb weight of under 2,199 pounds.

**Compact:** Wheelbase between 100 and 104 inches and a curb weight of between 2,200 and 2,599 pounds.

**Mid-Size Cars:** Wheelbase between 105 and 108 inches with a curb weight of between 2,600 and 3,199 pounds.

**Large Cars:** Wheelbase of more than 108 inches and a curb weight of more than 3,200 pounds.

The planned acquisitions will include 125 sub-compacts; 7,082 compacts; 2,638 mid-size units, and 480 large cars.

Three fleets in the Insurance Group are switching to four-cylinder models for 1984; one is ordering its new units with a V-6 engine. Two fleets in the group are ordering all new cars with manual transmissions in their sub-compacts.

Fifty-five percent of the group’s new car orders will be for middle-line models; twenty-nine percent for top-of-the-line models, and 15 percent for bottom-line cars.

Seventy-three percent of the new car orders will be for four-door sedans; 23 percent for two-door sedans, with only two percent for station wagons, and one percent each for three- and five-door hatchbacks.

*(Continued on page 8)*

## New Car Acquisition Survey

*(Continued from page 6)*

Ten fleets in the group reported they are now operating some imports; three said they would order imports during the 1984 model year, and one fleet reported it planned to order some specialty models.

Twenty fleet managers in the group reported their car operators have a choice of make of car they wish to drive; 18 can specify the model they wish; only two can select the engine; one can choose the transmission, and 17 fleets give the driver the right to select optional equipment that is paid for by the operator.

Thirty fleet managers in the Insurance Group said they were responsible for ordering corporate vehicles assigned to executives; 14 ordered executive pool cars, and 10 fleet managers said they purchased or assisted in acquiring personal cars for corporate executives.

### Manufacturing-Industrial Group

The Manufacturing-Industrial Group consists of 31 fleets operating 16,898 passenger cars. Of these vehicles, 14,848 are leased and 2,050 are company owned.

The current composition of the Manufacturing-Industrial fleets is 321 sub-compacts; 5,151 compacts; 8,321 mid-size, and 3,105 large cars.

In 1983 these fleets acquired 6,121 new cars; during the 1984 model year they plan to acquire 6,841 new vehicles. Among the 1984 model year cars will be 10 sub-compacts; 2,193 compacts; 3,740 mid-size, and 898 large cars.

Six fleets in the group are planning major changes in the car size they order in 1984. Three fleets are switching to mid-size units, while the other three are switching to compacts.

Seven fleets in the group are making major changes in the power plant in their new cars — five are ordering 1984 model year cars with four-cylinder engines; two will be switching to V-6 engines. Five fleets in the group plan to order all 1984 model year cars with manual transmissions.

Eighty-two percent of the Manufacturing-Industrial Group's new car orders will be four-door sedans; station wagons will account for nine percent of the new car orders; two-door sedans, seven percent. Only one percent of the orders will be for five-door hatchbacks, and less than one-half of one percent for either three-door hatchbacks or sport models.

**U.S. Composite Fleet Survey**
**1979-1983 Model Years**

| | Model Year 1979 | 1980 | 1981 | 1982 | 1983 |
|---|---|---|---|---|---|
| Number of Cars | 806 | 794 | 750 | 762 | 632 |
| Current Composition: | | | | | |
| Sub-Compact | 8 | 24 | 15 | 23 | 12 |
| Compact | 210 | 234 | 248 | 404 | 323 |
| Mid-Size | 451 | 429 | 420 | 282 | 240 |
| Large | 137 | 103 | 67 | 53 | 57 |
| Actual Acquisitions In Previous Year | 316 | 303 | 284 | 274 | 211 |
| Planned New Car Acquisitions | 336 | 308 | 302 | 284 | 232 |
| Sub-Compact | 7 | 31 | 21 | 19 | 2 |
| Compact | 174 | 154 | 205 | 185 | 133 |
| Mid-Size | 128 | 108 | 67 | 74 | 81 |
| Large | 27 | 15 | 9 | 6 | 16 |

**U.S. Composite Fleet**
**(Excluding Government & Public Utility Cars)**

| | |
|---|---|
| **Number of fleets responding** | **174** |
| **Number of vehicles** | **109,997** |
| **Average fleet size** | **632** |
| **Current Composition of Composite Fleet:** | |
| **Sub-Compacts** | **12** |
| **Compacts** | **323** |
| **Mid-Size** | **240** |
| **Large** | **57** |

Five fleets in the group report they currently have some import cars in operation; one fleet said it planned to order some imports during the 1984 model year, and five fleets said they would order some specialty cars in the coming year.

Sixty-one percent of the group's new car orders will be for middle-line models; 33 percent for top-of-the-line models, and six percent for bottom-line cars.

Twenty-three fleets reported that the assigned car operator had a choice of car make desired; 17 could select the model; six could choose the engine they desired; three could select the transmission, and 19 could add optional equipment to the company-provided car, if they were willing to pay for it.

Twenty of the 31 fleet managers in the group said they were responsible for acquiring corporate vehicles assigned to executives. Nine were responsible for acquiring executive pool cars, while seven said they purchased personal cars for corporate executives.

### Manufacturing-Consumer Group

The Manufacturing-Consumer Group consists of 23 fleets operating 15,259 passenger cars (8,450 company owned, 6,809 leased).

The current composition of the group's fleets is 46 sub-compact cars; 9,336 compacts; 4,041 mid-size, and 1,836 large cars. In the 1983 model year these fleets acquired 4,364 new cars; during the 1984 model year they plan to acquire 5,600 new units.

The planned 1984 acquisitions included 3,542 compacts, 1,576 mid-size, and 482 large cars. No fleet in the group plans to purchase or lease any sub-compacts in 1984.

*(Continued on page 10)*

## New Car Acquisition Survey

*(Continued from page 8)*

Of the 1984 new car acquisitions, 80 percent will be four-door sedans; 17 percent station wagons, and three percent two-door sedans. No fleet in the group plans to order any three-door, 5-door hatchbacks, or sport models. Three out of every four new car orders will be for middle-line cars; 18 percent will be bottom-line models, and seven percent top-of-the-line units.

Five fleets in the group reported they have some imported cars currently in operation. One fleet said it planned to acquire some imports during the 1984 model year, while three fleets reported they will purchase or lease some specialty models during the 1984 model year.

Three fleets in the Manufacturing-Consumer Group are planning to order all new units with four-cylinder engines. One fleet will have manual transmissions in its 1984 models.

Fifteen fleets in the group give the operator a choice of car make; 9 permit the assigned driver to select the model desired; one each permits a choice of engine and transmission, while eight fleets offer the driver a limited choice of additional equipment that can be purchased and installed on the new car.

Nineteen fleet managers in the Manufacturing-Consumer Group reported that they were responsible for acquiring corporate vehicles assigned to executives. Nine said they acquired executive pool cars, and seven said they acquired personal cars for corporate executives.

### Food & Beverage Group

The Food and Beverage Group participating in the annual new car acquisition survey consists of 21 fleets operating 11, 842 passenger cars (6,319 company owned and 5,523 leased).

Of the 11,842 cars currently in operation, 115 are sub-compacts; 4,594 are compacts; 6,739, mid-size, and 394 large cars.

During the 1983 model year these fleets acquired 4,003 new cars; they plan to purchase or lease 4,579 new cars during the 1984 model year. The new car orders will include 2,383 compacts; 2,126 mid-size, and 70 large cars. No fleet in the group plans to acquire any sub-compacts in the 1984 model year.

**New Car Orders By Size and Line**
**U.S. Fleets**
**(Percentage of New Cars Being Ordered)**

| Car Size | Total | Line<br>Bottom | <br>Middle | <br>Top |
|---|---|---|---|---|
| Sub-Compact | 1 | * | 1 | - |
| Compact | 57 | 3 | 47 | 7 |
| Mid-Size | 35 | 7 | 19 | 9 |
| Large | 7 | 1 | 2 | 4 |
| Total | 100 | 11 | 69 | 20 |

*Mentioned, but less than ½ of 1%.

**New Car Orders By Body Style**
**U.S. Fleets**
**(Percentage of New Car Orders)**

| | |
|---|---|
| 3-door hatchback | * |
| 5-door hatchback | 2% |
| Station Wagon | 7% |
| 2-door sedan | 11% |
| 4-door sedan | 79% |
| Sport Model | * |

*Mentioned, but less than ½ of 1 percent.

Only one fleet in the Food and Beverage Group is planning a major change in the vehicles it orders for 1984 — it is switching to mid-size cars from compacts.

Three fleets are planning major changes in the engines they use in their new cars — one is switching to four-cylinder engines; one is planning to order V-6's, and the other is changing to V-8's. Two fleets in the group will order their 1984 model year cars with manual transmission on four-cylinder models.

Ninety percent of the group's new car orders will be four-door sedans, with six percent going to station wagons, and four percent for two-door sedans. No three-door hatchbacks are going to be ordered by any fleet in the group.

Eighty-two percent of the group's new cars will be middle-line models; 10 percent will be top-of-the-line cars, while eight percent will be bottom-line cars.

Twelve fleets in the group give the assigned car operator the privilege of choosing the car make desired; eight permit a choice of models; two permit choice of transmission, and 10 give the assigned driver the right to purchase optional equipment for the new vehicle.

Five fleets in the Food and Beverage Group reported they now have some imports in their fleets; three said they are planning to acquire some in 1984, while two fleets reported they plan to acquire some specialty models during the 1984 model year.

Twelve fleet managers said they are responsible for acquiring vehicles assigned to corporate executives; nine are responsible for acquiring executive pool cars, and two said they are responsible for acquiring personal cars for corporate executives.

### Drugs & Cosmetics Group

The Drug & Cosmetics Group consists of 16 fleets operating 14,958 passenger cars (12,907 are leased, 2,051 are company-owned). The current composition of the fleets in the group is 9,851 compacts; 4,431 mid-size, and 666 large cars, and 10 sub-compacts.

During the 1983 model year this group acquired 6,576 new cars. In 1984 they plan to acquire 6,290

## 1984 New Car Acquisition Survey Summary

| | Current Composition | | | | | | | | | '84 Acquisitions by Category | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group | Number of Cars | Owned | Leased | Sub-Compact | Compact | Mid-Size | Large | 1983 New Car Acquisitions | 1984 Planned New Car Acquisitions | Sub-Compact | Compact | Mid-Size | Large |
| Insurance (40) | 28,406 | 20,446 | 7,960 | 648 | 19,713 | 6,506 | 1,539 | 9,489 | 10,325 | 125 | 7,082 | 2,638 | 480 |
| Chemical & Petroleum (18) | 14,059 | 7,108 | 6,951 | — | 3,890 | 7,813 | 2,365 | 3,170 | 3,638 | — | 2,020 | 1,103 | 515 |
| Drug & Cosmetics (16) | 14,958 | 2,051 | 12,907 | 10 | 9,851 | 4,431 | 666 | 6,576 | 6,290 | — | 4,312 | 1,817 | 161 |
| Food & Beverage (21) | 11,842 | 7,349 | 4,493 | 115 | 4,594 | 6,739 | 394 | 4,003 | 4,579 | — | 2,383 | 2,126 | 70 |
| Manufacturing—Industrial (31) | 16,898 | 2,050 | 14,848 | 321 | 5,151 | 8,321 | 3,105 | 6,121 | 6,841 | 10 | 2,193 | 3,740 | 898 |
| Manufacturing—Consumer (23) | 15,259 | 8,450 | 6,809 | 46 | 9,336 | 4,041 | 1,836 | 4,364 | 5,600 | — | 3,542 | 1,576 | 482 |
| Miscellaneous (25) | 8,575 | 2,196 | 6,379 | 865 | 3,917 | 3,371 | 422 | 3,057 | 3,028 | 305 | 1,364 | 1,266 | 93 |
| U.S. Totals (174) | 109,997 | 49,650 | 60,347 | 2,005 | 56,452 | 41,222 | 10,318 | 36,780 | 40,301 | 440 | 22,896 | 14,266 | 2,699 |
| Canada (28) | 5,697 | 2,130 | 3,567 | 120 | 2,234 | 2,878 | 465 | 1,657 | 2,184 | 136 | 866 | 1,106 | 76 |

new cars. The 1984 model year vehicles will consist of 4,312 compacts; 1,817 mid-size, and 161 large cars.

Two fleets in the group reported they are planning major changes for the 1984 model year — both are switching to compacts. One fleet in the group is planning to order all its 1984 cars with four-cylinder engines, while two are planning to use manual transmissions, one with four-cylinder engines; the other with V-6 engines.

Twenty-five percent of the Drugs & Cosmetics Group's new cars will be top-of-the-line models; 62 percent will be middle-line cars, and 13 percent will be bottom-line units.

Sixty-eight percent of the group's new car orders will be four-door sedans; 25 percent, two-door sedans; six percent, station wagons, and one percent three-door hatchbacks.

Four fleets in the group reported they have some imports currently in operation; two fleets said they planned to acquire some imports in 1984, while two other fleets reported that they would acquire some specialty models in the coming model year.

Seven fleet managers in the Drug & Cosmetics group said they were responsible for acquiring both corporate vehicles assigned to executives and executive pool cars. Two fleet managers reported that they acquired personal cars for corporate executives.

Fifteen of the 16 fleets in the group said the driver has a choice of car make; 13 can select the model they wanted. Two fleets permit the assigned car operator to choose the engine desired, and one permits choice of transmission. Thirteen fleets permit the operator to install additional optional equipment on the assigned company-provided car — at the operator's expense.

### Types of Leases in Use

In view of the current controversy over the status of finance leases with terminal rental adjustment clauses (TRAC), it is interesting to note that according to the responses to the new car acquisition survey, 90 percent of the leased vehicles are acquired through a finance lease; seven percent through net leases, and three percent through maintenance leases.

The 174 United States sales and service fleets responding to the 1984 survey operate more than 60,000 leased vehicles.

### Chemical & Petroleum Group

The Chemical & Petroleum Group consists of 18 fleets operating 14,059 passenger cars (7,108 company owned, 6,951 leased). The current composition of the fleets is 3,890 compacts; 7,813 mid-size, and 2,356 large cars. The fleets in the group acquired 3,170 new cars in the 1983 model year. They plan to acquire 3,638 new units during the 1984 model year.

Of the 3,638 new cars, 2,020 will be compacts; 1,103, mid-size, and 515 large cars.

Two fleets in the Chemical & Petroleum Group reported they are planning major vehicle changes in the coming model year. One is switching to

*(Continued on page 12)*

## New Car Acquisition Survey

*(Continued from page 11)*

compacts while the other is switching to mid-size cars.

Three fleets in the group said that all their new units would be ordered with four-cylinder engines. One fleet plans to use manual transmissions with its six-cylinder cars.

No fleet in the group is planning to order any top-of-the-line models in 1984; 95 percent of the new car orders will be for middle-line units, with five percent for bottom-of-the-line models.

Ninety-eight percent of the 1984 model year orders will be four-door sedans; the other two percent will be for station wagons.

Fifteen of the 18 fleets in the Chemical & Petroleum Group offer the assigned operator a choice of car make; nine permit the selection of the model to be driven. Three fleets permit a choice of both engine and transmission, while seven allow the driver to add additional optional equipment to the company provided vehicle.

Only one fleet in the group said it currently has imported cars in operation, and no fleet plans to acquire any imports during the 1984 model year. One fleet said it does plan to order a few specialty models during the coming year.

Eleven fleet managers in the group said they were responsible for ordering corporate cars for executives; eight reported they acquired executive

*(Continued on page 14)*

### Standard Equipment On All Cars

| Group | AM/FM Stereo | P/D Brakes | Power Steering | Auto Trans. | S/B/R Tires | Air Cond. | Tinted Glass | Vinyl Roof | Tilt Wheel | Power Door Locks | Power Windows | Cruise Control |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Insurance | | | | | | | | | | | | |
| Large (20) | 15 | * | * | * | 16 | 19 | 19 | 13 | 14 | 15 | 14 | 17 |
| Mid-Size (25) | 12 | 25 | 25 | 23 | 19 | 25 | 24 | 1 | 6 | 1 | 1 | 14 |
| Compact (30) | 14 | 30 | 29 | 30 | 24 | 30 | 26 | — | 6 | — | — | 14 |
| Sub-Compact (5) | 4 | 6 | 5 | 6 | 5 | 6 | 6 | — | 1 | — | — | 3 |
| Manufacturing-Industrial | | | | | | | | | | | | |
| Large (17) | 14 | * | * | * | 17 | 17 | 17 | 9 | 14 | 11 | 10 | 15 |
| Mid-Size (26) | 15 | 26 | 26 | 25 | 25 | 26 | 25 | 2 | 11 | 3 | 3 | 21 |
| Compact (19) | 12 | 18 | 19 | 18 | 17 | 18 | 19 | 1 | 5 | — | — | 10 |
| Sub-Compact (4) | 3 | 4 | 4 | 4 | 4 | 4 | 4 | — | 1 | — | — | 1 |
| Manufacturing-Consumer | | | | | | | | | | | | |
| Large (15) | 11 | * | * | * | 13 | 15 | 15 | 8 | 8 | 7 | 6 | 10 |
| Mid-Size (17) | 12 | 16 | 17 | 17 | 17 | 17 | 15 | 2 | 5 | 2 | 2 | 8 |
| Compact (12) | 4 | 12 | 12 | 11 | 10 | 12 | 12 | — | 1 | — | — | 12 |
| Sub-Compact (1) | - | 1 | 1 | 1 | 1 | 1 | 1 | — | — | — | — | — |
| Food & Beverage | | | | | | | | | | | | |
| Large (10) | 7 | * | * | * | 10 | 10 | 10 | 7 | 7 | 7 | 7 | 7 |
| Mid-Size (16) | 4 | 16 | 16 | 16 | 14 | 16 | 15 | 3 | 4 | — | — | 7 |
| Compact (15) | 2 | 15 | 15 | 15 | 13 | 15 | 14 | 1 | 2 | — | — | 7 |
| Sub-Compact (2) | — | 2 | 2 | 2 | 2 | 2 | 2 | — | — | — | — | — |
| Drug & Cosmetics | | | | | | | | | | | | |
| Large(4) | 4 | * | * | * | 4 | 4 | 4 | 2 | 3 | 2 | 1 | 3 |
| Mid-Size (11) | 7 | 11 | 11 | 11 | 8 | 11 | 11 | 2 | 4 | — | — | 3 |
| Compact (13) | 7 | 12 | 13 | 13 | 10 | 13 | 13 | 1 | 1 | — | — | 3 |
| Sub-Compact (—) | — | — | — | — | — | — | — | — | — | — | — | — |
| Chemical & Petroleum | | | | | | | | | | | | |
| Large (10) | 3 | * | * | * | 8 | 9 | 10 | 1 | 1 | 2 | 1 | 9 |
| Mid-Size (13) | 5 | 13 | 13 | 12 | 11 | 12 | 12 | 1 | 2 | 1 | — | 11 |
| Compact (7) | 4 | 7 | 7 | 7 | 6 | 6 | 7 | 1 | 1 | 1 | — | 5 |
| Sub-Compact (—) | — | — | — | — | — | — | — | — | — | — | — | — |
| Miscellaneous | | | | | | | | | | | | |
| Large (11) | 10 | * | * | * | 10 | 11 | 11 | 4 | 6 | 7 | 7 | 9 |
| Mid-Size (21) | 14 | 19 | 20 | 19 | 17 | 20 | 19 | 1 | 3 | 1 | — | 11 |
| Compact (20) | 11 | 18 | 19 | 18 | 15 | 18 | 18 | 2 | 3 | 1 | 1 | 9 |
| Sub-Compact (5) | 3 | 3 | 4 | 4 | 3 | 4 | 4 | — | — | — | — | 1 |
| Canada | | | | | | | | | | | | |
| Large (12) | 9 | * | * | * | 9 | 11 | 10 | 8 | 5 | 8 | 8 | 8 |
| Mid-Size (22) | 13 | 21 | 21 | 21 | 16 | 17 | 20 | 2 | 6 | 5 | 5 | 12 |
| Compact (21) | 13 | 20 | 21 | 17 | 16 | 17 | 17 | 1 | 3 | 1 | 1 | 8 |
| Sub-Compact (1) | — | 1 | 1 | 1 | — | 1 | 1 | — | — | — | — | — |

NOTE: The figure in ( ) beside the car size indicates the number of fleets in each group ordering that size car. The number under the items of equipment is the number of fleets in each group ordering the item for every car of that size at no expense to the operator.

*Standard equipment on Large cars.

## New Car Acquisition Survey

*(Continued from page 12)*

pool cars, while six said they acquired personal cars for corporate executives.

### Miscellaneous Group

The "Miscellaneous" group is made up of 25 fleets from banks, financial institutions, wholesalers, and other companies not in the major classifications. These fleets currently operate 8,575 passenger cars (6,379 leased, 2,196 company owned). The current composition of the group's fleets is 865 sub-compacts; 3,917 compacts; 3,371 mid-size, and 422 large cars.

The group acquired 3,057 new cars in the 1983 model year and have plans to acquire 3,028 new vehicles during the 1984 model year. Of the 1984 model year cars, 305 will be sub-compacts; 1,364 compacts; 1,266 mid-size, and 93 large cars.

Five fleets in the group plan major changes in their vehicle selection during the coming year. Three fleets will be switching to compacts; two others will be changing over to mid-size cars. One fleet reported it will be ordering its new cars with four-cylinder engines, while two plan to order all units with standard transmission — one for its four-cylinder cars; the other for its diesel-engine vehicles.

Nearly ninety percent of the group's new car orders will be for middle-line vehicles; five percent each will be for bottom- and top-of-the-line cars.

Sixty-two percent of the new cars to be ordered will be four-door sedans. Twenty-one percent will be five-door hatchbacks. About 10 percent of the 1984 model year vehicles orders will be for station wagons; five percent, two-door sedans, and two percent, three-door hatchbacks.

Twelve fleets in the Miscellaneous Group give the driver a choice of car make; eight permit individual selection of model. Only two allow a choice of engine and one gives a choice of transmission. Eight fleets in the group permit the assigned operator to purchase additional optional equipment for the company-provided car.

Three fleets reported they now have some imports in operation, but no one said they planned to acquire any additional imports during the 1984 model year. Four fleets said they will acquire some specialty models in 1984.

NAFA's New Car Survey
To Be Continued...

**The October issue of NAFA Bulletin will include the new car acquisition survey responses from the government, law enforcement, and public utility groups.**

Twenty of the twenty-five fleet managers responding to the survey said they are responsible for the acquisition of corporate cars for executives. Nine said they aquire executive pool cars, while six said they acquire personally owned cars for corporate executives.

### Canada

The Canadian segment of the new car survey consists of 28 fleets operating 5,697 passengers cars (3,567 leased and 2,130 company owned). The current composition of the Canadian fleets is 120 sub-compacts; 2,234 compacts; 2,878 mid-size, and 465 large cars.

These fleets acquired 1,657 new cars during the 1983 model and plan to acquire 2,184 vehicles in the coming model year. Of these new cars, 136 will be sub-compacts; 866 compacts; 1,106 mid-size, and 76 large cars.

> ***"Fifty-four percent of the Canadian fleet's new car orders will be four-door sedans, while 26 percent will be for station wagons."***

Five of the Canadian fleets plan major changes in their vehicle selection for 1984 — three will be switching to compacts, while two will be moving up to mid-size vehicles. One fleet will be ordering all its new cars with four-cylinder engines, while four fleets will order manual transmission in compacts.

Fifty-four percent of the Canadian fleet's new car orders will be four-door sedans, while 26 percent will be for station wagons. Sixteen percent of the new car orders will be for two-door sedans, with three percent for five-door hatchbacks, and one percent for three-door hatchbacks.

Fifty-one percent of the orders will be middle-line vehicles; 29 percent for top-of-the-line cars, and 20 percent for bottom-line models.

Twenty-one of the 28 fleets give the operator a choice of car make, but only nine permit any choice of model. Three fleets allow the operator to select the engine desired, while two give a choice of transmission. Twenty fleets give the operator some choice of optional equipment that can be ordered and paid for by the company employee.

Eight Canadian fleets reported they currently have some imports in operation. Two fleets said they plan to acquire some imports during the 1984 model year, while three fleets said they would acquire some specialty models.

Twenty-six of the 28 Canadian fleet managers responding to the 1984 new car survey said they were responsible for acquisition of corporate cars assigned to executives. Seven fleet managers said they acquired executive pool cars, and five said they acquired personal cars for corporate executives. ■

# how safe are our

## The Federal Highway Administration Reports that Nearly Half of the Nation's Highway Bridges Are Either Deficient or Obsolete.

*On June 28, 1983, a section of a bridge on the Connecticut Turnpike suddenly collapsed, killing three and injuring many. It forced tens of thousands of commuters, long-distance automobile travelers, and truck drivers to seek alternative routes.*

*This tragic incident focuses national attention on the problem of bridge deterioration and aging. It also raises serious questions about the condition of our nation's bridges.*

*How safe are the bridges we travel on and what is being done to make them safer? Here are the facts based on a Highway Users Federation analysis of the Fourth Annual Report on the Highway Bridge Replacement and Rehabilitation Program, submitted to Congress by the U.S. Secretary of Transportation in May 1983.*

Nearly half of the nation's highway bridges are either deficient or obsolete, according to the Federal Highway Administration's Office of Engineering, Bridge Division. That's the same percentage as last year. Of the 7,927 additional bridges that were inventoried, 4,669 were deficient.

As of last December, 253,196 of the nation's 565,433 bridges (44.8 percent) were classified as structurally deficient or functionally obsolete. That's a two percent increase in the total number of deficient bridges since 1982. The estimated cost for repair or replacement is up from $47.6 billion to $48.9 billion.

A structurally deficient bridge is one that has weakened or deteriorated to the point that it cannot support all types of traffic. Such bridges must be restricted to light vehicles only, closed to traffic, or immediately repaired to prevent further deterioration. There are 132,154 such bridges in the country, one of every five.

A functionally obsolete bridge may be structurally sound, but can no longer safely serve today's traffic because of outmoded design features. Most are too narrow. There are 121,042 functionally obsolete bridges, again, approximately one of every five in the country.

### Bridges Closed

Throughout this country, a total of 3,557 bridges have been closed temporarily for repairs or closed permanently. Another 88,141 bridges are load-posted and an additional 64,755 bridges *should* be load-posted, the report states.

At the same time, the report notes that as of December 31, 1982, a total of 10,693 deteriorated bridges have received federal funds for repair or replacement under bridge improvement programs. Of that number 4,485 bridges have been replaced or rehabilitated and are now open to traffic.

About three-fourths of the nation's deficient bridges are on local roads and streets. Although 98.3 percent of all bridges off the federal-aid systems were inspected for the report, about 5,300 have not yet been inventoried.

### The National Bridge Inventory

The Special Bridge Replacement Program, which began in 1970, required that all bridges on the federal-aid system be inventoried to determine their condition and assign priorities for replacement or repair. The Surface Transportation Assistance Act of 1978 expanded the inventory to include all bridges off the federal-aid system.

# BRIDGES?

The annual bridge inventories are conducted by the states themselves. The results are then reported to the U.S. Federal Highway Administration, which then compiles the information. The U.S. Secretary of Transportation is required by law to submit the report to Congress each year.

The federal-aid highway system is comprised of major roads and streets making up 20 percent of the nation's road mileage but carrying 80 percent of all traffic.

The report estimates that about 3,500 bridges on the federal-aid system will become deficient each year, primarily due to aging. On the primary system, making up 30 percent of the nation's major highways, it is estimated that 648 bridges will become structurally deficient and 521 will become functionally obsolete next year.

Off the federal-aid system, bridges are not becoming deficient at the same rate as those on the federal-aid system, probably because a higher percentage of them are already deficient, according to the report. A greater percentage of "off system" bridges are moving from the functionally obsolete classification to the structurally deficient classification. This means that they may be beyond the

*(Continued on page 19)*

## *How Safe Are Our Bridges?*

*(Continued from page 17)*

stage of rehabilitation and will require complete replacement.

### How Is a Bridge Inspected?

According to Connecticut state officials, interviewed recently after the bridge collapse, the teams first visually inspect a bridge looking for signs of rust and weakened joints. They also inspect underwater to examine the supports holding up the bridge. A more detailed inspection follows if problems are encountered in the initial check, the officials said. The inspectors hammer on a bridge beam, for example, to see if there is unusual vibration, which indicates metal fatigue. They also scrape paint from spots to check for rust and use a device, resembling a scale, that measures the stress put on a bridge section by the traffic rolling over it.

> ***"Throughout this country, a total of 3,557 bridges have been closed temporarily for repairs or closed permanently."***

If the visual and other examinations indicate a problem, more detailed inspections are made, which included the use of an X-ray device that examines for hidden cracks or fatigue.

It is extremely difficult to spot a bridge defect, according to state and construction industry officials. "A little moisture gets behind the beams — it's like termites. You'd never know it was there unless you really hammer on it, and if one beam is failing it starts to vibrate with the traffic and the bridge fatigues itself," said William Heubner, a spokesman for the Connecticut Construction Industries Association.

### Worst Bridges Reported

One-half of the total number of deficient bridges are in Indiana, Iowa, Kansas, Mississippi, Missouri, Nebraska, New York, North Carolina, Oklahoma, and Texas. Of the total 222,868 bridges inventoried in those states (39 percent of the national inventory), 127,016 are classified as deficient.

> ***"It is extremely difficult to spot a bridge defect... 'A little moisture gets behind the beams... You'd never know it was there unless you really hammer on it, and if one beam is failing it starts to vibrate with the traffic..."***

Texas has the greatest number of deficient bridges with 17,398 of its 43,351 bridges reported deficient or 40 percent of all its bridges. The greatest number of structurally deficient bridges is in New York, with 8,788 or 51 percent of all the state's bridges. Missouri has the largest share of functionally obsolete bridges, totaling 11,405 or 48.5 percent of all its bridges.

Seventy-three percent of North Carolina's bridges are reported deficient. This is the highest percentage of deficient bridges reported by all of the states. The state with the lowest percentage of deficient bridges is Arizona.

### Cost to Repair

This year, the estimated cost to replace or rehabilitate bridges is $48.9 billion — up $1.3 billion or about 2.5 percent from last year. Estimated cost to replace or rehabilitate the 62,796 eligible bridges on the federal-aid system is $26.7 billion. The 175,050 bridges not on the federal-aid system, which are eligible for the program, would cost an estimated $22.2 billion.

*(Continued on page 22)*

### DEFICIENT BRIDGES IN THE UNITED STATES
**(as of December 31, 1982)**

| | Number of Bridges Inventoried | Structurally Deficient | | Functionally Obsolete | | Number of Deficient Bridges | |
|---|---|---|---|---|---|---|---|
| | | No. | % | No. | % | No. | % |
| Federal-aid System | 262,268 | 28,070 | 10.7 | 41,575 | 15.8 | 69,645 | 26.5 |
| Off Federal-aid System (98.3% complete) | 303,175 | 104,084 | 34.3 | 79,467 | 26.2 | 183,551 | 60.5 |
| Total | 565,443 | 132,154 | 23.4 | 121,042 | 21.4 | 253,196 | 44.8 |

# Table I
# TOTAL NUMBERS OF DEFICIENT BRIDGES BY STATE
## (As of December 31, 1982 Inventory)

| State | Number of Bridges in Inventory | Structurally Deficient |  | Functionally Obsolete |  | Number of Deficient Bridges |  |
|---|---|---|---|---|---|---|---|
|  |  | No. | % | No. | % | No. | % |
| Texas | 43,351 | 7,907 | 18.2 | 9,491 | 21.9 | 17,398 | 40.1 |
| Missouri | 23,525 | 4,946 | 21.0 | 11,405 | 48.5 | 16,351 | 69.5 |
| Kansas | 24,804 | 6,424 | 25.9 | 8,205 | 33.1 | 14,629 | 59.0 |
| Iowa | 26,217 | 5,707 | 21.8 | 7,600 | 29.0 | 13,307 | 50.8 |
| Oklahoma | 21,676 | 8,378 | 38.6 | 3,424 | 15.8 | 11,802 | 54.4 |
| North Carolina | 15,424 | 5,680 | 36.8 | 5,585 | 36.2 | 11,265 | 73.0 |
| Mississippi | 16,420 | 7,146 | 43.5 | 3,772 | 23.0 | 10,918 | 66.5 |
| Indiana | 17,650 | 4,684 | 26.5 | 5,987 | 33.9 | 10,671 | 60.4 |
| New York | 17,388 | 8,878 | 51.1 | 1,556 | 8.9 | 10,434 | 60.0 |
| Nebraska | 16,413 | 4,829 | 29.4 | 5,412 | 33.0 | 10,241 | 62.4 |
| Subtotal | 222,868 | 64,579 |  | 62,437 |  | 127,016 |  |
| Tennessee | 17,499 | 6,701 | 38.3 | 3,276 | 18.7 | 9,977 | 57.0 |
| Illinois | 24,841 | 5,834 | 23.5 | 3,028 | 12.2 | 8,862 | 35.7 |
| Louisiana | 14,143 | 5,573 | 39.4 | 3,036 | 21.5 | 8,609 | 60.9 |
| Arkansas | 14,573 | 1,983 | 13.6 | 5,964 | 40.9 | 7,947 | 54.5 |
| Alabama | 15,250 | 3,413 | 22.4 | 3,517 | 23.1 | 6,930 | 45.5 |
| Wisconsin | 12,408 | 4,130 | 33.3 | 2,619 | 21.1 | 6,749 | 54.4 |
| Pennsylvania | 21,198 | 4,507 | 21.3 | 2,088 | 9.8 | 6,595 | 31.1 |
| Georgia | 14,344 | 3,160 | 22.0 | 3,304 | 23.0 | 6,464 | 45.0 |
| California | 21,934 | 1,518 | 6.9 | 4,623 | 21.1 | 6,141 | 28.0 |
| Kentucky | 12,531 | 3,297 | 26.3 | 2,208 | 17.6 | 5,505 | 43.9 |
| Ohio | 28,847 | 3,265 | 11.3 | 2,072 | 7.2 | 5,337 | 18.5 |
| Minnesota | 12,854 | 1,784 | 13.9 | 2,639 | 20.5 | 4,423 | 34.4 |
| Michigan | 10,064 | 2,847 | 28.3 | 714 | 7.1 | 3,561 | 35.4 |
| North Dakota | 5,495 | 2,249 | 40.9 | 1,220 | 22.2 | 3,469 | 63.1 |
| West Virginia | 6,534 | 2,497 | 38.2 | 923 | 14.1 | 3,420 | 52.3 |
| South Dakota | 6,768 | 889 | 13.1 | 2,113 | 31.2 | 3,002 | 44.3 |
| Florida | 9,466 | 692 | 7.3 | 2,081 | 22.0 | 2,773 | 29.3 |
| Colorado | 6,866 | 2,087 | 30.4 | 591 | 8.6 | 2,678 | 39.0 |
| Montana | 4,597 | 947 | 20.6 | 1,544 | 33.6 | 2,491 | 54.2 |
| Virginia | 12,297 | 1,197 | 9.7 | 1,104 | 9.0 | 2,301 | 18.7 |
| South Carolina | 8,754 | 1,029 | 11.8 | 1,019 | 11.6 | 2,048 | 23.4 |
| Washington | 6,882 | 538 | 7.8 | 1,230 | 17.9 | 1,768 | 25.7 |
| Oregon | 6,412 | 605 | 9.4 | 943 | 14.7 | 1,548 | 24.1 |
| New Jersey | 4,900 | 1,104 | 22.5 | 408 | 8.3 | 1,512 | 30.8 |
| Vermont | 2,643 | 302 | 11.4 | 1,124 | 42.5 | 1,426 | 53.9 |
| Massachusetts | 4,446 | 1,293 | 29.1 | 106 | 2.4 | 1,399 | 31.5 |
| New Hampshire | 2,545 | 537 | 21.1 | 803 | 31.6 | 1,340 | 52.7 |
| Idaho | 3,588 | 775 | 21.6 | 510 | 14.2 | 1,285 | 35.8 |
| Maryland | 4,070 | 405 | 10.0 | 868 | 21.3 | 1,273 | 31.3 |
| Connecticut | 3,694 | 278 | 7.5 | 927 | 25.1 | 1,205 | 32.6 |
| Wyoming | 2,897 | 413 | 14.3 | 441 | 15.2 | 854 | 29.5 |
| Maine | 2,593 | 439 | 16.9 | 293 | 11.3 | 732 | 28.2 |
| Puerto Rico | 1,584 | 160 | 10.1 | 373 | 23.5 | 533 | 33.6 |
| New Mexico | 3,415 | 244 | 7.1 | 225 | 6.6 | 469 | 13.7 |
| Utah | 2,333 | 276 | 11.8 | 126 | 5.4 | 402 | 17.2 |
| Hawaii | 1,025 | 114 | 11.1 | 166 | 16.2 | 280 | 27.3 |
| Arizona | 4,949 | 138 | 2.8 | 128 | 2.6 | 266 | 5.4 |
| Nevada | 1,025 | 34 | 3.3 | 137 | 13.4 | 171 | 16.7 |
| Alaska | 795 | 117 | 14.7 | 34 | 4.3 | 151 | 19.0 |
| Rhode Island | 692 | 82 | 11.8 | 39 | 5.6 | 121 | 17.4 |
| Delaware | 688 | 73 | 10.6 | 39 | 5.7 | 112 | 16.3 |
| District of Columbia | 236 | 49 | 20.8 | 2 | 0.8 | 51 | 21.6 |
| Total | 565.443 | 132,154 | 23.4 | 121,042 | 21.4 | 253,196 | 44.8 |

Source: FHWA, Office of Engineering, Bridge Division

## *How Safe Are Our Bridges?*

*(Continued from page 19)*

The remaining 6,850 deficient bridges on the federal-aid system and 8,500 off the federal-aid system were determined not to have deficiencies severe enough to justify federal funding for repair or replacement.

### More Money Available

In 1970, Congress authorized the Special Bridge Replacement Program. A total of $816.5 million was made available under the program for bridge replacement on the federal-aid system through 1978. The Surface Transportation Assistance Act of 1978 authorized a $4.2 billion for bridge replacement and rehabilitation over the four-year period to 1982, with only $900 million in fiscal year 1982.

> ***"This year, the estimated cost to replace or rehabiliate bridges is $48.9 billion — up $1.3 billion or about 2.5 percent from last year."***

At the end of last year, Congress increased the amount of money for bridge programs in the Surface Transportation Assistance Act of 1982 (commonly known as the 5¢-a-gallon gas tax bill) to $7.05 billion over the four years to 1986.

About 90 percent of these federal funds are apportioned by formula to the states. The remaining 10 percent (200 million a year) is allocated at the discretion of the U.S. Secretary of Transportation for high-cost major bridges. Federal-aid monies must be supplemented by local funds on an 80-20 matching ratio. The states would be expected to fund about $1.75 billion of their own bridge replacement and rehabilitation funds to qualify for access to federal money. In addition, states or localities must fund all bridges not eligible for federal aid.

However, if a state uses all its federal bridge program funds and certifies that sufficient matching funds are not available to fix or replace an eligible bridge, the federal share for such projects may be increased to 100 percent. The State's 20 percent share must either be paid back or take a corresponding reduction in apportionments the following two years.

### Outlook

Woodrow W. Rankin, director of the Transportation and Safety Division of the Highway Users Federation, said the report confirms that although we still have a major bridge problem, it is being systematically addressed.

"Congress acted aggressively to help correct deficiencies when it nearly doubled the amount of bridge funding through the Surface Transportation Assistance Act of 1982. States are raising their own highway user taxes to fix up roads and bridges. There are an enormous number of bridges in this country, many of them old bridges, never designed to carry today's traffic volumes," he said. "Future legislation, both state and federal, will have to build on this aggressive spirit to continue the orderly replacement or repair of our deficient bridges." ■

### ESTIMATED COST TO REPLACE OR REHABILITATE

| System | Bridges Eligible for Replacement or Rehabilitation | Replacement Cost in Billions | Bridges Eligible for Rehabilitation | Rehabilitation Cost in Billions | Total Cost in Billions |
|---|---|---|---|---|---|
| Interstate | 481 | $ 0.5 | 3,098 | $ 1.3 | $ 1.8 |
| Primary | 8,182 | 6.3 | 12,440 | 4.9 | 11.2 |
| Urban | 3,920 | 4.3 | 4,623 | 2.1 | 6.4 |
| Secondary | 14,721 | 4.1 | 15,331 | 3.2 | 7.3 |
| Total Federal-aid | 27,304 | 15.2 | 35,492 | 11.5 | 26.7 |
| Off-system | 123,698 | 17.2 | 51,352 | 5.0 | 22.2 |
| Total | 151,002 | $32.4 | 86,844 | $16.5 | $48.9 |

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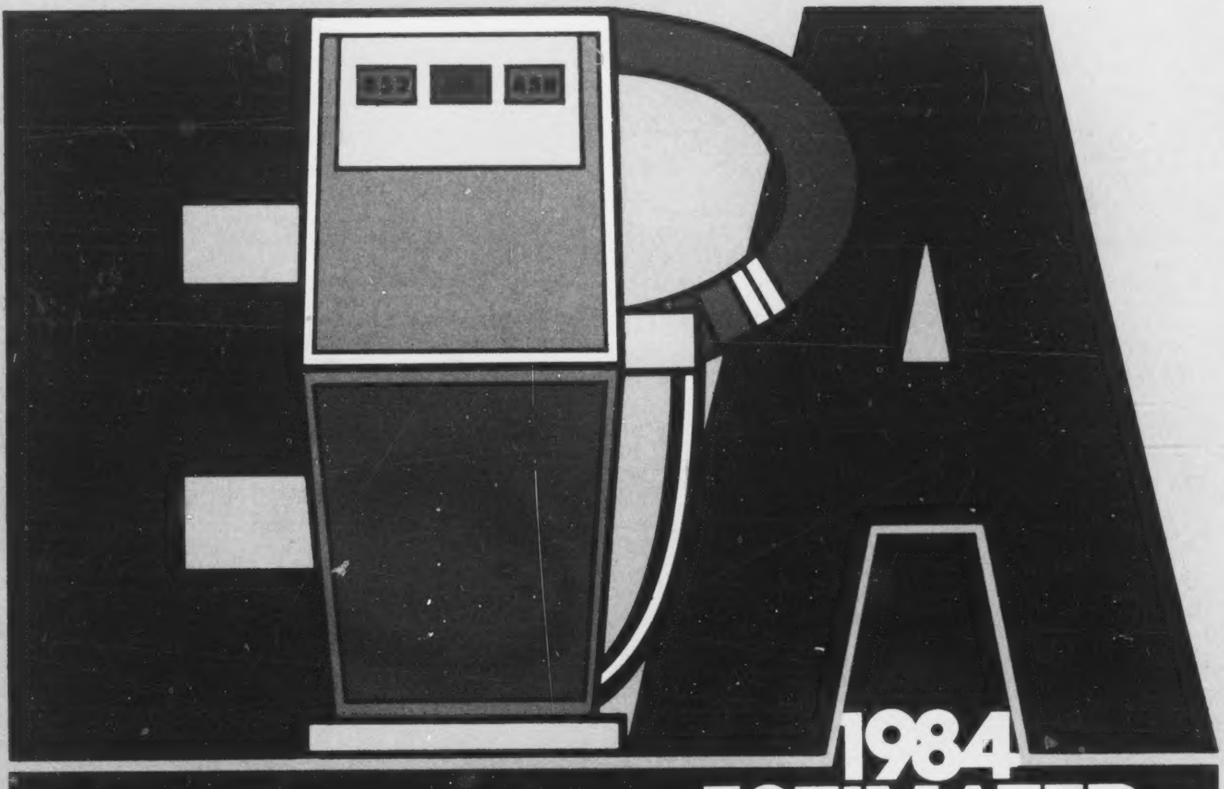
NAFA
Bulletin
The Magazine for Fleet Administrators
October 1983



# 1984 ESTIMATED GAS MILEAGE FIGURES

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# news highlights

## Airbag Data Misleading and Outdated; GM Proposes Study to 'Clear the Air'

*Will auto makers be required to equip new cars with airbags or automotive safety belts? The Department of Transportation, which has been struggling with this issue for well over a decade amid frequent auto-industry opposition to the effort, is under order from the Supreme Court either to reinstate the requirement that new cars be equipped with airbags or automotive belts, or come up with a good reason for killing it.*

*Roger B. Smith, chairman of General Motors, wrote the following letter to the office of Secretary of Transportation Elizabeth H. Dole stating GM's position on the issue.*

As we understand it, the recent Supreme Court decision on the passive restraint regulation may result in a re-consideration on your part of a wide range of issues respecting alternative restraint mechanisms and their comparative benefits and costs. Perhaps the most difficult of these issues are those regarding the airbag. I know of no other safety issue that has been subject to such emotional controversy and, unfortunately, also such massive misinformation. Advocates of the airbag, while well-intended, have nevertheless continually used misleading and outdated engineering and cost data to press their cause. This has confused the public and legislators alike. I am certain that you will agree that the task of achieving safer motoring is difficult enough without having to cope with erroneous engineering data and distorted cost information. It seems fundamentally important at this time to clear the air and provide an accurate, up-to-date data base on the scientific and cost aspects of the airbag versus other restraint systems.

My purpose in writing is to urge you to retain one, or preferably two, private consulting firms to conduct studies and report their conclusions by a date selected by you as to the airbag and alternatives. These firms, of course, would have to be selected on the basis of their unimpeachable credentials for technical and cost-accounting competence and absolute independence.

### Adequacy and Cost

As to the precise assignment, the firms should be asked to address the engineering adequacy of the airbag system or systems and other available or potentially available systems — and the cost of various systems. The firms should be able to conclude that the systems under

*(Continued on page 34)*

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# EPA's 1984 Estimated Gas Mileage Figures

*U.S. automobile manufacturers have achieved nearly 100 percent improvement in fuel economy over the last decade, according to the Environmental Protection Agency's 1984 model year mileage figures.*

*EPA noted that when the mileage estimates were first published in 1974, domestic cars averaged 13.2 miles per gallon. The projected fleet average for the 1984 domestic models is 25.6 mpg, up 94 percent from 10 years ago. The projected fleet average for all 1984 foreign and domestic cars is 26.9 mpg, an improvement of 89 percent from the 1974 level of 14.2 mpg.*

*The following mileage ratings, provided by EPA, include all vehicles sold in the United States except California. These mileage ratings represent city driving figures.*

*The EPA estimates do not predict the actual mileage that will be obtained. Instead, the Agency's Fuel Economy Guide provides a way to compare the relative fuel economy performances of different new models driven under the same test conditions. No standardized test can duplicate a person's individual driving habits, EPA said.*

*In certain cases, apparently identical listings will show different mileage ratings. This occurs because of some factors not shown on this table, such as different types of carburetors. The "D" under the transmission column represents diesel engines.*

| MPG | Make | Transmission | CID | Cyl. |
|---|---|---|---|---|
| | **Two-Seaters** | | | |
| 23 | Alfa R Spdr 2000 Vel | M5 | 120 | 4 |
| 16 | Chevy Corvette | M4 | 350 | 8 |
| 16 | Chevy Corvette | A4 | 350 | 8 |
| 22 | Datsun Nissan 300ZX | M5 | 181 | 6 |
| 20 | Datsun Nissan 300ZX | M5 | 181 | 6 |
| 19 | Datsun Nissan 300ZX | A4 | 181 | 6 |
| 27 | Ford EXP | M5 | 98 | 4 |
| 27 | Ford EXP | A3 | 98 | 4 |
| 51 | Honda Civic Coupe | M5 | 82 | 4 |
| 36 | Honda Civic Coupe | M5 | 91 | 4 |
| 32 | Honda Civic Coupe | A3 | 91 | 4 |
| 19 | Mazda RX-7 | M5 | 70 | 2 |
| 19 | Mazda RX-7 | A4 | 70 | 2 |
| 18 | Mercedes Benz 380SL | A4 | 234 | 8 |
| 26 | Pontiac Fiero | M4 | 151 | 4 |
| 27 | Pontiac Fiero | A3 | 151 | 4 |
| | **Mini-Compact Cars** | | | |
| 21 | Alfa R GTV | M5 | 152 | 6 |
| 20 | Porsche 911SC | M5 | 193 | 6 |
| 17 | Porsche 928S | M5 | 285 | 8 |
| 17 | Porsche 928S | A4 | 285 | 8 |
| 22 | Porsche 944 | M5 | 151 | 4 |
| 21 | Porsche 944 | A3 | 151 | 4 |
| 42 | Toyota Starlet | M4 | 79 | 4 |
| 44 | Toyota Starlet | M5 | 79 | 4 |
| 27 | VW Rabbit Cnv | M5 | 109 | 4 |
| 25 | VW Rabbit Cnv | A3 | 109 | 4 |
| | **Sub-Compact Cars** | | | |
| 10 | Aston Lagonda | A3 | 326 | 8 |
| 9 | Aston Saloona | M5 | 326 | 8 |
| 10 | Aston Vantage | A3 | 326 | 8 |
| 22 | Audi Coupe GT | M5 | 131 | 5 |
| 19 | Audi Coupe GT | A3 | 131 | 5 |
| 28 | Audi 4000 | M5 | 109 | 4 |
| 24 | Audi 4000 | A3 | 109 | 4 |
| 21 | Audi 4000 Quattro | M5 | 136 | 5 |
| 27 | BMW 3-Series | M5 | 108 | 4 |
| 27 | BMW 3-Series | A3 | 108 | 4 |
| 24 | Chevy Camaro | M4 | 151 | 4 |
| 23 | Chevy Camaro | M5 | 151 | 4 |
| 24 | Chevy Camaro | A4 | 151 | 4 |
| 20 | Chevy Camaro | M5 | 173 | 6 |
| 20 | Chevy Camaro | A4 | 173 | 6 |
| 16 | Chevy Camaro | M5 | 305 | 8 |
| 18 | Chevy Camaro | A4 | 305 | 8 |
| 28 | Chevy Cavalier Cnv | M4 | 121 | 4 |
| 27 | Chevy Cavalier Cnv | M5 | 121 | 4 |
| 23 | Chevy Cavalier Cnv | A3 | 121 | 4 |
| 31 | Chevy Chevette | M4 | 98 | 4 |
| 31 | Chevy Chevette | M5 | 98 | 4 |
| 30 | Chevy Chevette | A3 | 98 | 4 |
| 43 | Chevy Chevette | D-M5 | 111 | 4 |
| 37 | Chevy Chevette | D-A3 | 111 | 4 |
| 24 | Chrysler Laser | M5 | 135 | 4 |
| 22 | Chrysler Laser | M5 | 135 | 4 |
| 25 | Chrysler Laser | A3 | 135 | 4 |
| 22 | Chrysler Laser | A3 | 135 | 4 |
| 24 | Chrysler Lebaron Cnv | A3 | 135 | 4 |
| 22 | Chrysler Lebaron Cnv | A3 | 135 | 4 |
| 23 | Chrysler Lebaron Cnv | A3 | 156 | 4 |
| 23 | Datsun Nissan Maxima | M5 | 146 | 6 |
| 23 | Datsun Nissan Maxima | A4 | 146 | 6 |
| 35 | Datsun Nissan Pulsar/NX | M5 | 98 | 4 |
| 30 | Datsun Nissan Pulsar/NX | A3 | 98 | 4 |
| 35 | Datsun Nissan Sentra | M5 | 98 | 4 |
| 30 | Datsun Nissan Sentra | A3 | 98 | 4 |
| 50 | Datsun Nissan Sentra | D-M4 | 103 | 4 |
| 43 | Datsun Nissan Sentra | D-M5 | 103 | 4 |
| 38 | Datsun Nissan Sentra | D-A3 | 103 | 4 |
| 28 | Datsun 200SX | M5 | 120 | 4 |
| 21 | Datsun 300ZX 2+2 | M5 | 181 | 6 |
| 20 | Datsun 300ZX 2+2 | M5 | 181 | 6 |
| 19 | Datsun 300ZX 2+2 | A4 | 181 | 6 |
| 34 | Dodge Charger | M4 | 97 | 4 |
| 27 | Dodge Charger | M5 | 135 | 4 |
| 26 | Dodge Charger | A3 | 135 | 4 |
| 41 | Dodge Colt | M4 | 86 | 4 |
| 37 | Dodge Colt | M4x2 | 86 | 4 |
| 31 | Dodge Colt | A3 | 98 | 4 |
| 30 | Dodge Colt | M4x2 | 98 | 4 |
| 21 | Dodge Conquest | M5 | 156 | 4 |
| 21 | Dodge Conquest | A4 | 156 | 4 |
| 24 | Dodge Daytona | M5 | 135 | 4 |
| 22 | Dodge Daytona | M5 | 135 | 4 |
| 25 | Dodge Daytona | A3 | 135 | 4 |
| 22 | Dodge Daytona | A3 | 135 | 4 |
| 24 | Dodge 600 Cnv | A3 | 135 | 4 |
| 22 | Dodge 600 Cnv | A3 | 135 | 4 |
| 23 | Dodge 600 Cnv | A3 | 156 | 4 |
| 34 | Ford Laser* | M4 | 91 | 4 |
| 31 | Ford Laser* | A3 | 91 | 4 |

*Available in Puerto Rico only.

| MPG | Make | Transmission | CID | Cyl. |
|---|---|---|---|---|
| 24 | Ford Mustang | M4 | 140 | 4 |
| 23 | Ford Mustang | A3 | 140 | 4 |
| 21 | Ford Mustang | M5 | 140 | 4 |
| 32 | Honda Accord | M5 | 112 | 4 |
| 29 | Honda Accord | A4 | 112 | 4 |
| 42 | Honda Civic | M4 | 82 | 4 |
| 35 | Honda Civic | M5 | 91 | 4 |
| 30 | Honda Civic | A3 | 91 | 4 |
| 27 | Isuzu I-Mark | M5 | 111 | 4 |
| 26 | Isuzu I-Mark | A3 | 111 | 4 |
| 44 | Isuzu I-Mark | D-M4 | 111 | 4 |
| 39 | Isuzu I-Mark | D-M5 | 111 | 4 |
| 34 | Isuzu I-Mark | D-A3 | 111 | 4 |
| 24 | Isuzu Impulse | M5 | 119 | 4 |
| 24 | Isuzu Impulse | A4 (OD) | 119 | 4 |
| 17 | Jaguar XJ | A3 | 258 | 6 |
| 14 | Jaguar XJS | A3 | 326 | 12 |
| 24 | Lincoln Mercury Capri | M4 | 140 | 4 |
| 23 | Lincoln Mercury Capri | A3 | 140 | 4 |
| 21 | Lincoln Mercury Capri | M5 | 140 | 4 |
| 34 | Mazda GLC | M4 | 91 | 4 |
| 35 | Mazda GLC | M5 | 91 | 4 |
| 31 | Mazda GLC | A3 | 91 | 4 |
| 35 | Merc Benz | D-M5 | 134 | 4 |
| 34 | Merc Benz | D-M5 | 134 | 4 |
| 35 | Merc Benz | D-A4 | 134 | 4 |
| 34 | Merc Benz | D-A4 | 134 | 4 |
| 23 | Merc Benz | M5 | 140 | 4 |
| 23 | Merc Benz | A4 | 140 | 4 |
| 25 | Mitsubishi Cordia | M5 | 110 | 4 |
| 29 | Mitsubishi Cordia | M5 | 122 | 4 |
| 28 | Mitsubishi Cordia | A3 | 122 | 4 |
| 41 | Mitsubishi Precis* | M4 | 86 | 4 |
| 37 | Mitsubishi Precis* | M4x2 | 86 | 4 |
| 31 | Mitsubishi Precis* | A3 | 98 | 4 |
| 30 | Mitsubishi Precis* | M4x2 | 98 | 4 |
| 21 | Mitsubishi Starion | M5 | 156 | 4 |
| 21 | Mitsubishi Starion | A4 | 156 | 4 |
| 25 | Mitsubishi Tredia | M5 | 110 | 4 |
| 29 | Mitsubishi Tredia | M5 | 122 | 4 |
| 29 | Mitsubishi Tredia | M4x2 | 122 | 4 |
| 28 | Mitsubishi Tredia | A3 | 122 | 4 |
| 41 | Plymouth Colt | M4 | 86 | 4 |
| 37 | Plymouth Colt | M4x2 | 86 | 4 |
| 31 | Plymouth Colt | A3 | 98 | 4 |
| 30 | Plymouth Colt | M4x2 | 98 | 4 |
| 21 | Plymouth Conquest | M5 | 156 | 4 |
| 21 | Plymouth Conquest | A4 | 156 | 4 |
| 34 | Plymouth Turismo | M4 | 97 | 4 |
| 27 | Plymouth Turismo | M5 | 135 | 4 |
| 26 | Plymouth Turismo | A3 | 135 | 4 |
| 24 | Pontiac Firebird | M4 | 151 | 4 |
| 25 | Pontiac Firebird | M5 | 151 | 4 |
| 24 | Pontiac Firebird | A4 | 151 | 4 |
| 20 | Pontiac Firebird | M5 | 173 | 6 |
| 20 | Pontiac Firebird | A4 | 173 | 6 |
| 16 | Pontiac Firebird | M5 | 305 | 8 |
| 18 | Pontiac Firebird | A4 | 305 | 8 |
| 31 | Pontiac 1000 | M4 | 98 | 4 |
| 31 | Pontiac 1000 | M5 | 98 | 4 |
| 30 | Pontiac 1000 | A3 | 98 | 4 |
| 43 | Pontiac 1000 | D-M5 | 111 | 4 |
| 37 | Pontiac 1000 | D-A3 | 111 | 4 |
| 29 | Pontiac 2000 Sunbird Cnv | M5 | 110 | 4 |
| 27 | Pontiac 2000 Sunbird Cnv | A3 | 110 | 4 |
| 26 | Renault Fuego | M5 | 95 | 4 |
| 9 | Rolls-Royce Corniche | A3 | 412 | 8 |
| 34 | Subaru | M4 | 97 | 4 |
| 32 | Subaru | M5 | 97 | 4 |
| 30 | Subaru | M5 | 109 | 4 |
| 27 | Subaru | A3 | 109 | 4 |
| 30 | Subaru | M5 | 109 | 4 |
| 27 | Subaru | A3 | 109 | 4 |
| 26 | Toyota Celica | M5 | 144 | 4 |
| 25 | Toyota Celica | A4 | 144 | 4 |
| 21 | Toyota Celica Supra | M5 | 168 | 6 |
| 22 | Toyota Celica Supra | A4 | 168 | 6 |
| 32 | Toyota Corolla Sport | M5 | 97 | 4 |
| 30 | Toyota Corolla Sport | A4 | 97 | 4 |
| 21 | Toyota Cressida | M5 | 168 | 6 |
| 22 | Toyota Cressida | A4 | 168 | 6 |
| 39 | Toyota Tercel | M4 | 89 | 4 |
| 34 | Toyota Tercel | M5 | 89 | 4 |
| 33 | Toyota Tercel | A3 | 89 | 4 |
| 43 | Volkswagen Jetta | D-M5 | 97 | 4 |
| 41 | Volkswagen Jetta | D-M5 | 97 | 4 |
| 30 | Volkswagen Jetta | M5 | 105 | 4 |
| 25 | Volkswagen Jetta | A3 | 105 | 4 |
| 27 | Volkswagen Jetta | M5 | 109 | 4 |
| 47 | Volkswagen Rabbit | D-M4 | 97 | 4 |
| 44 | Volkswagen Rabbit | D-M5 | 97 | 4 |
| 31 | Volkswagen Rabbit | M4 | 105 | 4 |
| 31 | Volkswagen Rabbit | M5 | 105 | 4 |
| 26 | Volkswagen Rabbit | A3 | 105 | 4 |
| 26 | Volkswagen Rabbit | M5 | 109 | 4 |
| 27 | Volkswagen Scirocco | M5 | 109 | 4 |
| 25 | Volkswagen Scirocco | A3 | 109 | 4 |
|  | **Compact Cars** |  |  |  |
| 16 | Buick Riviera Cnv | A4 | 252 | 6 |
| 17 | Buick Riviera Cnv | A4 | 307 | 8 |
| 29 | Buick Skyhawk | M5 | 110 | 4 |
| 27 | Buick Skyhawk | A3 | 110 | 4 |
| 28 | Buick Skyhawk | M4 | 121 | 4 |
| 28 | Buick Skyhawk | A3 | 121 | 4 |
| 25 | Buick Skylark | M4 | 151 | 4 |
| 25 | Buick Skylark | A3 | 151 | 4 |
| 21 | Buick Skylark | M4 | 173 | 6 |
| 21 | Buick Skylark | A3 | 173 | 6 |
| 27 | Cadillac Cimarron | M5 | 121 | 4 |
| 23 | Cadillac Cimarron | A3 | 121 | 4 |
| 17 | Cadillac Eldorado Cnv | A4 | 249 | 8 |
| 28 | Chevy Cavalier | M4 | 121 | 4 |
| 30 | Chevy Cavalier | M4 | 121 | 4 |
| 27 | Chevy Cavalier | M5 | 121 | 4 |
| 28 | Chevy Cavalier | A3 | 121 | 4 |
| 31 | Datsun Nissan Stanza | M5 | 120 | 4 |
| 27 | Datsun Nissan Stanza | A3 | 120 | 4 |
| 34 | Dodge Omni | M4 | 97 | 4 |
| 28 | Dodge Omni | M5 | 135 | 4 |
| 26 | Dodge Omni | A3 | 135 | 4 |
| 37 | Ford Escort | M4 | 98 | 4 |
| 27 | Ford Escort | M5 | 98 | 4 |
| 27 | Ford Escort | A3 | 98 | 4 |
| 28 | Ford Escort | M5 | 98 | 4 |
| 27 | Ford Escort | A3 | 98 | 4 |
| 41 | Ford Escort | M5 | 122 | 4 |
| 46 | Ford Escort | D-M5 | 122 | 4 |
| 41 | Ford Tempo | M5 | 122 | 4 |
| 27 | Ford Tempo | M5 | 140 | 4 |
| 25 | Ford Tempo | A3 | 140 | 4 |
| 21 | Thunderbird | M5 | 140 | 4 |
| 20 | Thunderbird | A3 | 140 | 4 |
| 20 | Thunderbird | A3 | 231 | 6 |
| 21 | Thunderbird | A4 | 231 | 6 |
| 18 | Thunderbird | A4 | 302 | 8 |
| 21 | Merc Cougar | M5 | 140 | 4 |
| 20 | Merc Cougar | A3 | 140 | 4 |
| 20 | Merc Cougar | A3 | 231 | 6 |
| 21 | Merc Cougar | A4 | 231 | 6 |
| 18 | Merc Cougar | A4 | 302 | 8 |
| 37 | Linc-Merc Lynx | M4 | 98 | 4 |
| 27 | Linc-Merc Lynx | M5 | 98 | 4 |
| 27 | Linc-Merc Lynx | A3 | 98 | 4 |
| 28 | Linc-Merc Lynx | M5 | 98 | 4 |
| 27 | Linc-Merc Lynx | A3 | 98 | 4 |

* Available in Puerto Rico only.

*(Continued on page 8)*

| MPG | Make | Transmission | CID | Cyl. |
|---|---|---|---|---|
| 41 | Linc-Merc Lynx | M5 | 122 | 4 |
| 46 | Linc-Merc Lynx | D-M5 | 122 | 4 |
| 41 | Linc-Merc Topaz | M5 | 122 | 4 |
| 27 | Linc-Merc Topaz | M5 | 140 | 4 |
| 25 | Linc-Merc Topaz | A3 | 140 | 4 |
| 29 | Mazda 626 | M5 | 122 | 4 |
| 27 | Mazda 626 | A3 | 122 | 4 |
| 40 | Mazda 626 | D-M5 | 122 | 4 |
| 26 | Mer Benz 300D/300CD | A4 | 183 | 5 |
| 27 | Mer Benz 300D/300CD | A4 | 183 | 5 |
| 26 | Mer Benz 300SD/380SE | A4 | 183 | 5 |
| 27 | Mer Benz 300SD/380SE | D-A4 | 183 | 5 |
| 18 | Mer Benz 300SD/380SE | A4 | 234 | 8 |
| 15 | Mer Benz 500SE | A4 | 303 | 8 |
| 29 | Olds Firenza | M5 | 110 | 4 |
| 27 | Olds Firenza | A3 | 110 | 4 |
| 28 | Olds Firenza | M4 | 121 | 4 |
| 27 | Olds Firenza | M5 | 121 | 4 |
| 28 | Olds Firenza | A3 | 121 | 4 |
| 27 | Olds Omega | M4 | 151 | 4 |
| 25 | Olds Omega | A3 | 151 | 4 |
| 21 | Olds Omega | M4 | 173 | 6 |
| 21 | Olds Omega | A3 | 173 | 6 |
| 22 | Peugeot 505 | M5 | 120 | 4 |
| 21 | Peugeot 505 | A3 | 120 | 4 |
| 28 | Peugeot 505 | D-M5 | 141 | 4 |
| 27 | Peugeot 505 | D-A3 | 141 | 4 |
| 28 | Peugeot 604 Turbo | D-M5 | 141 | 4 |
| 27 | Peugeot 604 Turbo | D-A3 | 141 | 4 |
| 34 | Plymouth Horizon | M4 | 97 | 4 |
| 28 | Plymouth Horizon | M5 | 135 | 4 |
| 26 | Plymouth Horizon | A3 | 135 | 4 |
| 29 | Pontiac 2000 | M5 | 110 | 4 |
| 32 | Pontiac 2000 | M5 | 110 | 4 |
| 27 | Pontiac 2000 | A3 | 110 | 4 |
| 28 | Pontiac 2000 | M4 | 121 | 4 |
| 38 | Renault Alliance | M4 | 85 | 4 |
| 34 | Renault Alliance | M5 | 85 | 4 |
| 28 | Renault Alliance | A3 | 85 | 4 |
| 9 | Rolls Royce Camargue | A3 | 412 | 8 |
| 23 | Saab 900 | M5 | 121 | 4 |
| 21 | Saab 900 Turbo | M5 | 121 | 4 |
| 21 | Saab 900 | A3 | 121 | 4 |
| 20 | Saab 900 | A3 | 121 | 4 |
| 38 | Toyota Camry | D-M5 | 112 | 4 |
| 32 | Toyota Camry | M5 | 122 | 4 |
| 30 | Toyota Camry | A4 | 122 | 4 |
| 34 | Toyota Corolla | M5 | 97 | 4 |
| 32 | Toyota Corolla | A3 | 97 | 4 |
| 47 | Toyota Corolla | D-M4 | 112 | 4 |
| 43 | Toyota Corolla | D-M5 | 112 | 4 |
| 38 | Toyota Corolla | D-A3 | 112 | 4 |
| 42 | Volkswagen Quantum | D-M5 | 97 | 4 |
| 32 | VW Quantum (Turbo) | D-A3 | 97 | 4 |
| 20 | Volkswagen Quantum | A3 | 131 | 5 |
| 20 | Volvo DL/GL/Turbo | M5 | 130 | 4 |
| 20 | Volvo DL/GL/Turbo | A4 | 130 | 4 |
| 25 | Volvo DL/GL/Turbo | M5 | 141 | 4 |
| 23 | Volvo DL/GL/Turbo | A4 | 141 | 4 |
| 30 | Volvo DL/GL/Turbo | D-M5 | 145 | 6 |
| 28 | Volvo DL/GL/Turbo | D-A3 | 145 | 6 |

### Mid-Size Cars

| MPG | Make | Transmission | CID | Cyl. |
|---|---|---|---|---|
| 22 | Audi 5000S | M5 | 131 | 5 |
| 19 | Audi 5000S | A3 | 131 | 5 |
| 25 | Buick Century | A3 | 151 | 4 |
| 21 | Buick Century | A3 | 181 | 6 |
| 27 | Buick Century | D-A3 | 263 | 6 |
| 21 | Buick Regal | A3 | 231 | 6 |
| 18 | Buick Regal | A4 | 252 | 6 |
| 25 | Buick Regal | D-A4 | 263 | 6 |
| 23 | Buick Regal | D-A4 | 350 | 6 |
| 16 | Buick Riviera | A4 | 252 | 6 |
| 17 | Buick Riviera | A4 | 307 | 8 |
| 22 | Buick Riviera | A4 | 350 | 8 |
| 18 | Cadillac Eldorado | A4 | 249 | 8 |
| 22 | Cadillac Eldorado | D-A4 | 350 | 8 |
| 18 | Cadillac Seville | A4 | 249 | 8 |
| 22 | Cadillac Seville | D-A4 | 350 | 8 |
| 25 | Chevy Celebrity | M4 | 151 | 4 |
| 25 | Chevy Celebrity | A3 | 151 | 4 |
| 21 | Chevy Celebrity | A3 | 173 | 6 |
| 27 | Chevy Celebrity | D-A3 | 263 | 6 |
| 27 | Chevy Citation II | M4 | 151 | 4 |
| 25 | Chevy Citation II | A3 | 151 | 4 |
| 21 | Chevy Citation II | M4 | 173 | 6 |
| 21 | Chevy Citation | A3 | 173 | 6 |
| 20 | Chevy Monte Carlo | A3 | 229 | 6 |
| 20 | Chevy Monte Carlo | A4 | 229 | 6 |
| 17 | Chevy Monte Carlo | A3 | 305 | 8 |
| 18 | Chevy Monte Carlo | A4 | 305 | 8 |
| 23 | Chevy Monte Carlo | D-A3 | 350 | 8 |
| 23 | Chevy Monte Carlo | D-A4 | 350 | 8 |
| 25 | Chry New Yorker | A3 | 135 | 4 |
| 22 | Chry New Yorker | A3 | 135 | 4 |
| 23 | Chry New Yorker | A3 | 156 | 4 |
| 21 | Chry Executive | A3 | 156 | 4 |
| 22 | Chry Lebaron | M5 | 135 | 4 |
| 25 | Chry Lebaron | A3 | 135 | 4 |
| 22 | Chry Lebaron | A3 | 135 | 4 |
| 23 | Chry Lebaron | A3 | 156 | 4 |
| 17 | Chry Newport 5th Ave. | A3 | 318 | 8 |
| 29 | Dodge Aries | M4 | 135 | 4 |
| 27 | Dodge Aries | M5 | 135 | 4 |
| 26 | Dodge Aries | A3 | 135 | 4 |
| 23 | Dodge Aries | A3 | 156 | 4 |
| 17 | Dodge Diplomat | A3 | 318 | 8 |
| 27 | Dodge 600 | M5 | 135 | 4 |
| 26 | Dodge 600 | A3 | 135 | 4 |
| 24 | Dodge 600 | M5 | 135 | 4 |
| 22 | Dodge 600 | M5 | 135 | 4 |
| 25 | Dodge 600 | A3 | 135 | 4 |
| 22 | Dodge 600 | A3 | 135 | 4 |
| 23 | Dodge 600 | A3 | 156 | 4 |
| 23 | Ford LTD | A3 | 140 | 4 |
| 20 | Ford LTD | A3 | 231 | 6 |
| 21 | Ford LTD | A4 | 231 | 6 |
| 25 | Linc-Merc Continental | A4 | 149 | 6 |
| 17 | Linc-Merc Continental | A4 | 302 | 8 |
| 25 | Linc-Merc Mark VII | A4 | 149 | 6 |
| 17 | Linc-Merc Mark VII | A4 | 302 | 8 |
| 23 | Linc-Merc Marquis | A3 | 140 | 4 |
| 20 | Linc-Merc Marquis | A3 | 231 | 6 |
| 21 | Linc-Merc Marquis | A4 | 231 | 6 |
| 15 | Mer Benz 500SEL | A4 | 303 | 8 |
| 25 | Olds Cutlass Ciera | A3 | 151 | 4 |
| 21 | Olds Cutlass Ciera | A3 | 181 | 6 |
| 28 | Olds Cutlass Ciera | D-A3 | 263 | 6 |
| 21 | Olds Cutlass Supreme | A3 | 231 | 6 |
| 26 | Olds Cutlass Supreme | D-A3 | 263 | 6 |
| 25 | Olds Cutlass Supreme | D-A4 | 263 | 6 |
| 18 | Olds Cutlass Supreme | A3 | 307 | 8 |
| 18 | Olds Cutlass Supreme | A4 | 307 | 8 |
| 23 | Olds Cutlass Supreme | D-A3 | 350 | 8 |
| 23 | Olds Cutlass Supreme | D-A4 | 350 | 8 |
| 16 | Olds Toronado | A4 | 252 | 6 |
| 17 | Olds Toronado | A4 | 307 | 8 |
| 22 | Olds Toronado | A4 | 350 | 8 |
| 17 | Plymouth Gran Fury | A3 | 318 | 8 |
| 29 | Plymouth Reliant | M4 | 135 | 4 |
| 27 | Plymouth Reliant | M5 | 135 | 4 |
| 26 | Plymouth Reliant | A3 | 135 | 4 |
| 23 | Plymouth Reliant | A3 | 156 | 4 |
| 21 | Pontiac Bonneville | A3 | 231 | 6 |
| 17 | Pontiac Bonneville | A3 | 305 | 8 |
| 18 | Pontiac Bonneville | A4 | 305 | 8 |

*Available in Puerto Rico only.

*(Continued on page 10)*

| MPG | Make | Transmission | CID | Cyl. |
|---|---|---|---|---|
| 23 | Pontiac Bonneville | D-A3 | 350 | 8 |
| 23 | Pontiac Bonneville | D-A4 | 350 | 8 |
| 21 | Pontiac Grand Prix | A3 | 231 | 6 |
| 17 | Pontiac Grand Prix | A3 | 305 | 8 |
| 18 | Pontiac Grand Prix | A4 | 305 | 8 |
| 23 | Pontiac Grand Prix | D-A3 | 350 | 8 |
| 23 | Pontiac Grand Prix | D-A4 | 350 | 8 |
| 25 | Pontiac Phoenix | A3 | 151 | 4 |
| 21 | Pontiac Phoenix | M4 | 173 | 6 |
| 21 | Pontiac Phoenix | A3 | 173 | 6 |
| 25 | Pontiac 6000 | A3 | 151 | 4 |
| 21 | Pontiac 6000 | A3 | 173 | 6 |
| 27 | Pontiac 6000 | D-A3 | 263 | 6 |
| 10 | Rolls Sil Spirit | A3 | 412 | 8 |
| 28 | Volvo 760 GLE | D-M5 | 145 | 6 |
| 26 | Volvo 760 GLE | D-A4 | 145 | 6 |
| 20 | Volvo 760 GLE | A4 | 174 | 6 |

### Large Cars

| MPG | Make | Transmission | CID | Cyl. |
|---|---|---|---|---|
| 17 | Buick Electra | A4 | 252 | 6 |
| 17 | Buick Electra | A4 | 307 | 8 |
| 23 | Buick Electra | D-A4 | 350 | 8 |
| 19 | Buick LeSabre | A3 | 231 | 6 |
| 17 | Buick LeSabre | A4 | 252 | 6 |
| 17 | Buick LeSabre | A3 | 307 | 8 |
| 17 | Buick LeSabre | A4 | 307 | 8 |
| 23 | Buick LeSabre | D-A4 | 350 | 8 |
| 23 | Cad. De Ville-Br. | D-A4 | 350 | 8 |
| 17 | Cad. De Ville-Br. | A4 | 249 | 8 |
| 19 | Chevy Impala/Caprice | A3 | 229 | 6 |
| 17 | Chevy Impala/Caprice | A4 | 305 | 8 |
| 23 | Chevy Impala/Caprice | D-A3 | 350 | 8 |
| 23 | Chevy Impala/Caprice | D-A4 | 350 | 8 |
| 17 | Ford LTD Cr. Vic. | A4 | 302 | 8 |
| 17 | Linc-Merc Gr Marquis | A4 | 302 | 8 |
| 17 | Linc-Mercury Town Car | A4 | 302 | 8 |
| 19 | Olds Delta 88 | A3 | 231 | 6 |
| 17 | Olds Delta 88 | A3 | 307 | 8 |
| 17 | Olds Delta 88 | A4 | 307 | 8 |
| 23 | Olds Delta 88 | D-A3 | 350 | 8 |
| 23 | Olds Delta 88 | D-A4 | 350 | 8 |
| 17 | Olds Ninety-Eight | A4 | 307 | 8 |
| 23 | Olds Ninety-Eight | A4 | 350 | 8 |
| 19 | Pontiac Parisienne | A3 | 231 | 6 |
| 17 | Pontiac Parisienne | A4 | 305 | 8 |
| 23 | Pontiac Parisienne | D-A3 | 350 | 8 |
| 23 | Pontiac Parisienne | D-A4 | 350 | 8 |

### Small Station Wagons

| MPG | Make | Transmission | CID | Cyl. |
|---|---|---|---|---|
| 29 | Buick Skyhawk Wagon | M5 | 110 | 4 |
| 27 | Buick Skyhawk Wagon | A3 | 110 | 4 |
| 26 | Buick Skyhawk Wagon | M4 | 121 | 4 |
| 23 | Buick Skyhawk Wagon | A3 | 121 | 4 |
| 28 | Chevy Cavalier Wagon | M4 | 121 | 4 |
| 27 | Chevy Cavalier Wagon | M5 | 121 | 4 |
| 28 | Chevy Cavalier Wagon | A3 | 121 | 4 |
| 22 | Datsun Nissan Maxima | A4 | 146 | 6 |
| 35 | Datsun Nissan Sentra | M5 | 98 | 4 |
| 30 | Datsun Nissan Sentra | A3 | 98 | 4 |
| 42 | Datsun Nissan Sentra | D-M5 | 103 | 4 |
| 38 | Datsun Nissan Sentra | D-A3 | 103 | 4 |
| 28 | Dodge Colt Vista | M5 | 122 | 4 |
| 28 | Dodge Colt Vista | M4x2 | 122 | 4 |
| 27 | Dodge Colt Vista | A3 | 122 | 4 |
| 27 | Ford Escort Wagon | M5 | 98 | 4 |
| 27 | Ford Escort Wagon | A3 | 98 | 4 |
| 28 | Ford Escort Wagon | M5 | 98 | 4 |
| 26 | Ford Escort Wagon | A3 | 98 | 4 |
| 41 | Ford Escort Wagon | M5 | 122 | 4 |
| 34 | Honda Civic Wagon | M5 | 91 | 4 |
| 30 | Honda Civic Wagon | A3 | 91 | 4 |
| 27 | Linc-Merc Lynx Wagon | M5 | 98 | 4 |
| 27 | Linc-Merc Lynx Wagon | A3 | 98 | 4 |
| 41 | Linc-Merc Lynx Wagon | M5 | 122 | 4 |
| 28 | Mazda GLC Wagon | M4 | 91 | 4 |
| 28 | Mazda GLC Wagon | M5 | 91 | 4 |
| 25 | Mazda GLC Wagon | A3 | 91 | 4 |
| 26 | Mitsubishi Space* | M5 | 122 | 4 |
| 28 | Mitsubishi Space* | M4x2 | 122 | 4 |
| 27 | Mitsubishi Space* | A3 | 122 | 4 |
| 29 | Olds Firenza Cruiser | M5 | 110 | 4 |
| 27 | Olds Firenza Cruiser | A3 | 110 | 4 |
| 28 | Olds Firenza Cruiser | M4 | 121 | 4 |
| 27 | Olds Firenza Cruiser | M5 | 121 | 4 |
| 23 | Olds Firenza Cruiser | A3 | 121 | 4 |
| 28 | Plymouth Colt Vista | M5 | 122 | 4 |
| 28 | Plymouth Colt Vista | M4x2 | 122 | 4 |
| 27 | Plymouth Colt Vista | A3 | 122 | 4 |
| 29 | Pontiac 2000 Sunbird | M5 | 110 | 4 |
| 27 | Pontiac 2000 Sunbird | A3 | 110 | 4 |
| 28 | Pontiac 2000 Sunbird | M4 | 121 | 4 |
| 29 | Subaru Wagon | M5 | 109 | 4 |
| 26 | Subaru Wagon | A3 | 109 | 4 |
| 29 | Subaru Wagon | M5 | 109 | 4 |
| 26 | Subaru Wagon | A3 | 109 | 4 |
| 22 | Toyota Cressida Wagon | A4 | 168 | 6 |
| 34 | Toyota Tercel Wagon | M5 | 89 | 4 |
| 32 | Toyota Tercel Wagon | A3 | 89 | 4 |
| 31 | Toyota Tercel Wgn 4WD | M5 | 89 | 4 |
| 42 | Volks Quantum Wagon | D-M5 | 97 | 4 |
| 32 | Volks Quantum Wagon | D-A3 | 97 | 4 |
| 20 | Volks Quantum Wagon | A3 | 131 | 5 |

### Mid-Size Station Wagons

| MPG | Make | Transmission | CID | Cyl. |
|---|---|---|---|---|
| 22 | Audi 5000S Wagon | M5 | 131 | 5 |
| 19 | Audi 5000S Wagon | A3 | 131 | 5 |
| 24 | Buick Regal Est. Wgn. | A3 | 151 | 4 |
| 19 | Buick Regal Est. Wgn. | A3 | 181 | 6 |
| 27 | Buick Regal Est. Wgn. | A3 | 263 | 6 |
| 25 | Chevy Celebrity Wgn. | M4 | 151 | 4 |
| 25 | Chevy Celebrity Wgn. | A3 | 151 | 4 |
| 20 | Chevy Celebrity Wgn. | A3 | 173 | 6 |
| 27 | Chevy Celebrity Wgn. | D-A3 | 263 | 6 |
| 24 | Chry Town & Country | A3 | 135 | 4 |
| 23 | Chry Town & Country | A3 | 156 | 4 |
| 28 | Dodge Aries Wgn. | M4 | 135 | 4 |
| 27 | Dodge Aries Wgn. | M5 | 135 | 4 |
| 26 | Dodge Aries Wgn. | A3 | 135 | 4 |
| 23 | Dodge Aries Wgn. | A3 | 156 | 4 |
| 20 | Ford LTD Wgn. | A3 | 231 | 6 |
| 21 | Ford LTD Wgn. | A4 | 231 | 6 |
| 20 | Linc Merc Marq. Wgn. | A3 | 231 | 6 |
| 21 | Linc Merc Marq. Wgn. | A4 | 231 | 6 |
| 26 | Mer-Benz 300 TD | A4 | 183 | 5 |
| 27 | Mer-Benz 300 TD | D-A4 | 183 | 5 |
| 25 | Olds Cutl Cruis Wgn. | A3 | 151 | 4 |
| 19 | Olds Cutl Cruis Wgn. | A3 | 181 | 6 |
| 27 | Olds Cutl Cruis Wgn. | D-A3 | 263 | 6 |
| 22 | Peugeot 505 Wgn. | M5 | 120 | 4 |
| 21 | Peugeot 505 Wgn. | A3 | 120 | 4 |
| 27 | Peugeot 505 Wgn. | D-A3 | 141 | 4 |
| 28 | Plymouth Reliant Wgn. | M4 | 135 | 4 |
| 27 | Plymouth Reliant Wgn. | M5 | 135 | 4 |
| 26 | Plymouth Reliant Wgn. | A3 | 135 | 4 |
| 23 | Plymouth Reliant Wgn. | A3 | 156 | 4 |
| 25 | Pontiac 6000 Wgn. | A3 | 151 | 4 |
| 20 | Pontiac 6000 Wgn. | A3 | 173 | 6 |
| 27 | Pontiac 6000 Wgn. | D-A3 | 263 | 6 |
| 20 | Volvo DL/GL Turbo Wgn. | M5 | 130 | 4 |
| 20 | Volvo DL/GL Turbo Wgn. | A4 | 130 | 4 |
| 24 | Volvo DL/GL Turbo Wgn. | M5 | 141 | 4 |
| 23 | Volvo DL/GL Turbo Wgn. | A4 | 141 | 4 |
| 30 | Volvo DL/GL Turbo Wgn. | D-M5 | 145 | 6 |
| 28 | Volvo DL/GL Turbo Wgn. | D-A3 | 145 | 6 |

*Available in Puerto Rico only.

### New Car Survey Reveals:

# Vehicle Plans for Government, Law Enforcement and Utility Groups

*The final segment of NAFA's annual new car acquisition survey covers the responses from three small groups — government, law enforcement, and public utilities — with a total of 24 fleets operating 21,838 passenger cars.*

## Government Group

The Government Group consists of nine small fleets operating 1,961 passenger cars. The current composition of the fleet is 320 sub-compacts, 313 compacts, 605 mid-size cars, and 723 large cars.

During the 1983 model year the group acquired 497 new cars; in the 1984 model year they plan to acquire 435 new passenger cars. Of the new vehicles, 61 will be sub-compacts, 44 compacts, 180 mid-size, and 150 large cars.

Fifty-nine percent of the 1984 new car acquisitions will be bottom-line models; 21 percent, middle-of-the-line, and 20 percent top-of-the-line cars.

Four door sedans will account for 72 percent of the new car orders, with station wagons accounting for 24 percent; the remaining four percent will be divided between 5-door hatchbacks and 2-door sedans.

Of the nine fleets in the group none have any specialty cars; they have no imports in their fleets, and don't plan to acquire any during the 1984 model year.

Two fleets in the government group report they are planning to use four-cylinder engines in their small cars and two fleets are planning to use standard transmissions in their four-cylinder cars.

No fleet in the group gives the operator any choice of make, model, engine, transmission, or accessories.

## Law Enforcement Group

The Law Enforcement Group consists of nine fleets operating 10,754 passenger cars. The current composition of these fleets is 83 sub-compacts; 365 compacts; 3,217 mid-size, and 7,089 large cars.

The group acquired 2,652 new cars during the 1983 model year and plans to acquire 2,624 new cars in the 1984 model year. Of the 1984 model year vehicles, three percent will be sub-compacts; 14 percent compacts; 22 percent mid-size, and 61 percent large cars.

Ninety-three percent of the new car orders will be for bottom-of-the-line models; seven percent for middle-of-the-line vehicles. One fleet mentioned it would acquire a few top-of-the-line models (less than one half of one percent of the total new car acquisitions).

Seventy-nine percent of the Law Enforcement Group's new cars will be four-door sedans; eight percent will be two-door sedans; four percent will be sport models, while the remaining nine percent of the orders will be equally divided between three-door hatchbacks, five-door hatchbacks, and station wagons.

One of the surprises of the survey is the fact that four of the nine fleets plan to order some specialty models during the coming model year; two fleets are planning to acquire some imports in 1984, and five fleets in the group already are using some imports.

Three fleets in the group report they are making engine changes for 1984 — one is shifting to turbocharging; one is moving to a 350 C.I.D. engine, while the third is going the other way, to four-cylinder engines.

Two fleets in the Law Enforcement Group are planning to order their 1984 model cars with standard transmission, both in mid-size, six-cylinder vehicles.

No fleet in the group gives its vehicle operators a choice of make or model, although one does permit a choice of engine, some accessories.

*(Continued on page 32)*

# For Fifth Year Economy of Operation Ranks #1

For the fifth consecutive year fleet managers in the United States have ranked "Economy of Operation" as the most important factor in their fleet car selection. More than 170 managers of private sector fleets participated in the 1984 new car acquisition survey.

The respondents were asked to rank six factors in fleet car selection in order of their importance. The factors are economy of operation, initial cost, depreciation/resale value, serviceability, prestige, and fringe benefit.

Initial cost was rated the second most important factor. Depreciation or resale value was ranked third, with serviceability (defined as freedom from down time) in its customary fourth place.

Prestige and fringe benefit are ranked fifth and sixth by fleet managers. In a weighted scale they are far below the other four factors (see the scale at right).

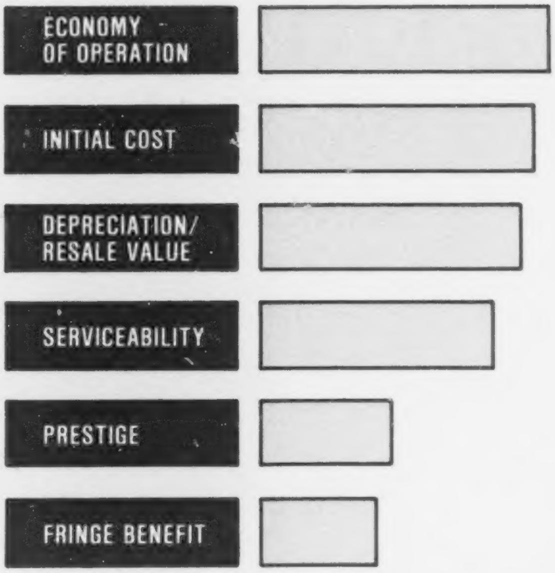
In studying the results of the survey by individual groups, there were significant differences. The Insurance and Manufacturing Industrial Groups rated resale value/depreciation as most important, with economy of operation second, and initial cost third.

Three industry groups — Manufacturing Consumer, Chemical & Petroleum, and "Other" ranked initial cost as most important, with economy of operation second, and resale value third.

The Drug & Cosmetic and Food & Beverage Groups ranked economy of operation first, with initial cost second, and depreciation/resale value third.

Among the Public Utility Group fleets initial cost was the most important factor in fleet car selection with economy of operation second, serviceability third, and depreciation fourth. In the Law Enforcement Group initial cost was ranked highest, while in the government group initial cost and economy of operation were tied for first place as the key factor in vehicle selection.

The Canadian fleets participating in the survey ranked depreciation/resale value as the most important factor in fleet car selection. Initial cost was deemed to be the second most important factor, with economy of operation in third place, and serviceability fourth.



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## New Car Survey

*(Continued from page 30)*

### Public Utility Group

The Public Utility Group consists of 16 fleets operating 9,123 passenger cars. The current composition of these fleets is 4,994 sub-compacts, 2,283 compacts, 1,465 mid-size, and 381 large cars.

During the 1983 model year these fleets acquired 1,958 new cars. They plan to acquire 2,139 new cars during the 1984 model year. The new car acquisitions will consist of 29 percent sub-compacts, 51 percent compacts, 16 percent mid-size, and four percent large cars.

Fifty-six percent of the new car orders will be for bottom-of-the-line models, 41 percent middle-line vehicles, and only three percent top-of-the-line cars.

Sixty-two percent of the new car orders will be for four-door sedans; 27 percent for station wagons, seven percent, two-door sedans, and 4 percent, five-door hatchbacks. No fleet in the Public Utility Group is planning to order any sport models. One fleet reported that it had a few imports in its fleet, but none were planning to order any in 1984.

One fleet said it was planning a major change in its engines in 1984 — switching to four-cylinder power plants. Three fleets said they would order 1984 model cars with standard transmissions in four-cylinder compacts and sub-compacts.

Three fleets in the group give the operator a choice of the make of car desired. Only one permits a choice of model; two give the operator a choice of engine and transmission, while one allows the operator to order accessories beyond the standard specification — at the operator's expense. ■

## High Operating Costs Force Canadians to Buy Smaller Cars

The number of Canadians who drive a full-size or large car for corporate travel declined by 22 percent in 1983 as employers and employees try to minimize automobile operating expenses, according to the Commercial Travellers' Association of Canada.

The annual "Car Costs and Policies Survey," conducted by the CTA, revealed that 18 percent of the respondents were driving a 1983 vehicle; 25 percent, a 1982 model; 27 percent, a 1981 model, and the remaining 25 percent were driving 1980 or earlier year models.

Company/auto replacement policies have also been extended from two to three years for 53 percent of the respondents. This reflects the adverse effects of the recent taxation legislation and the efforts made by companies to minimize these effects during the lengthy period of uncertainty that followed the November 11, 1981 budget.

### Cars Kept Longer

The report states, "this year we see a dramatic change in the size of vehicles that our members drive. We feel members have moved to smaller-size vehicles for fuel savings and capital cost savings." In the 1982 survey 50 percent of the respondents said they were driving full-size cars; in 1983 this had dropped to 28 percent. At the same time, the percentage of those driving mid-size cars rose from 37 percent in 1982 to 50 percent in 1983. The use of compact cars has increased less sharply — from 11 percent in 1982 to 15 percent in 1983.

### Fleet Costs Rise

According to operating expense statistics provided to the Commercial Travellers' Association by Peterson, Howell & Heather Canada Inc., fleet costs for a full-size vehicle rose to 26.6 cents a mile in 1982 from 25 cents a mile in 1981. Running expenses — gas, oil, maintenance, and tires — rose to 12.4 cents a mile from 11.3; standing expenses — depreciation, taxes, license, insurance — rose to 13.2 cents per mile from 12.7 in 1981, while incidental expenses — parking, washing, and tolls — were already at one cent per mile.

In commenting on operating expenses, the report noted, "The less dramatic rise in running costs in 1982 resulted from a smaller increase in fuel costs than in 1981 and relatively flat maintenance expenses. Standing expenses rose somewhat more for large cars reflecting the 'resale penalty' now being assessed these cars in the used car arena. Standing costs as a whole also rose as a result of generally more expensive 1982 models, but should flatten out again as 1983 models — which were less expensive than 1982 models thanks to fleet incentives — begin to predominate in the fleet."

The report also points out that an individually or what is termed the "independent operators' costs" is about six cents a mile higher than fleet costs. The basic difference is in the standing cost area, because operating expenses are only slightly higher for the independent operator.

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### Standard Equipment On All Cars

(At No Charge to Operator)

| Group | AM/FM Stereo | Power Disc Brakes | Power Steering | Automatic Trans | S/B/R Tires | Air Cond. | Tinted Glass | Vinyl Roof | Tilt Wheel | Power Door Locks | Power Windows | Cruise Control |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Government | | | | | | | | | | | | |
| Large (3) | — | * | * | * | 2 | 3 | 2 | — | 3 | 3 | 3 | — |
| Mid-Size (4) | 1 | 3 | 4 | 4 | 3 | 3 | 3 | 1 | — | — | — | 1 |
| Compact (6) | — | 3 | 5 | 4 | 5 | 6 | 6 | — | — | — | — | 1 |
| Sub-Compact (6) | — | 2 | 3 | 4 | 5 | 6 | 6 | — | — | — | — | 1 |
| Law Enforcement | | | | | | | | | | | | |
| Large (8) | 3 | * | * | * | 2 | 8 | 7 | 1 | 2 | 3 | 4 | 1 |
| Mid-Size (5) | 1 | 4 | 4 | 4 | 1 | 4 | 4 | 1 | 2 | 2 | 2 | 1 |
| Compact (4) | 1 | 2 | 3 | 2 | 1 | 3 | 3 | 1 | 1 | 1 | 1 | — |
| Sub-Compact (6) | — | — | — | — | — | 1 | — | — | — | — | — | — |
| Public Utility | | | | | | | | | | | | |
| Large (9) | 6 | * | * | * | 6 | 8 | 8 | 3 | 4 | 4 | 4 | 6 |
| Mid-Size (12) | 4 | 10 | 11 | 10 | 7 | 11 | 10 | 1 | 3 | 2 | 2 | 8 |
| Compact (10) | 2 | 8 | 9 | 7 | 5 | 7 | 7 | — | — | — | — | 3 |
| Sub-Compact (6) | 1 | 4 | 3 | 2 | 4 | 3 | 2 | — | — | — | — | — |
| Law Enforcement | | | | | | | | | | | | |

NOTE: The figure in ( ) beside the car size indicates the number of fleets in each group ordering that size car. The number under the items of equipment is the number of fleets in each group ordering the item for every car of that size at no expense to the operator.

*Standard equipment on Large cars.